

TIGARD CITY COUNCIL
MEETING

APRIL 19, 2005 6:30 p.m.

TIGARD CITY HALL
13125 SW HALL BLVD
TIGARD, OR 97223



PUBLIC NOTICE:

Anyone wishing to speak on an agenda item should sign on the appropriate sign-up sheet(s). If no sheet is available, ask to be recognized by the Mayor at the beginning of that agenda item. Citizen Communication items are asked to be two minutes or less. Longer matters can be set for a future Agenda by contacting either the Mayor or the City Manager.

Times noted are estimated; it is recommended that persons interested in testifying be present by 7:15 p.m. to sign in on the testimony sign-in sheet. Business agenda items can be heard in any order after 7:30 p.m.

Assistive Listening Devices are available for persons with impaired hearing and should be scheduled for Council meetings by noon on the Monday prior to the Council meeting. Please call 503-639-4171, ext. 2410 (voice) or 503-684-2772 (TDD - Telecommunications Devices for the Deaf).

Upon request, the City will also endeavor to arrange for the following services:

- Qualified sign language interpreters for persons with speech or hearing impairments; and
- Qualified bilingual interpreters.

Since these services must be scheduled with outside service providers, it is important to allow as much lead time as possible. Please notify the City of your need by 5:00 p.m. on the Thursday preceding the meeting by calling: 503-639-4171, ext. 2410 (voice) or 503-684-2772 (TDD - Telecommunications Devices for the Deaf).

SEE ATTACHED AGENDA

A G E N D A

TIGARD CITY COUNCIL MEETING

6:30 PM

1. WORKSHOP MEETING
 - 1.1 Call to Order - City Council & Local Contract Review Board
 - 1.2 Roll Call
 - 1.3 Pledge of Allegiance
 - 1.4 Council Communications & Liaison Reports
 - 1.5 Call to Council and Staff for Non-Agenda Items

2. UPDATE – COMMUNICATION/CITIZEN INVOLVEMENT
 - Staff Report: Administration Staff

3. JOINT MEETING – COMMITTEE FOR CITIZEN INVOLVEMENT
 - Staff Report: Community Development Staff

4. REVIEW – POLICIES AND PRACTICES FOR ACQUIRING PARK LAND AND OPEN SPACES
 - Staff Report: Public Works Staff

5. DISCUSSION – URBAN RENEWAL PROGRAM ELEMENTS
 - Staff Report: Community Development Staff

6. REVIEW – SOLID WASTE FRANCHISE
 - Staff Report: Public Works Staff

7. DISCUSSION – STRATEGIC FINANCE PLAN ISSUE PAPERS
 - Staff Report: Finance Staff

8. COUNCIL LIAISON REPORTS

9. NON AGENDA ITEMS

10. EXECUTIVE SESSION: The Tigard City Council may go into Executive Session. If an Executive Session is called to order, the appropriate ORS citation will be announced identifying the applicable statute. All discussions are confidential and those present may disclose nothing from the Session. Representatives of the news media are allowed to attend Executive Sessions, as provided by ORS 192.660(4), but must not disclose any information discussed. No Executive Session may be held for the purpose of taking any final action or making any final decision. Executive Sessions are closed to the public.

11. ADJOURNMENT

CITY OF TIGARD, OREGON
COUNCIL AGENDA ITEM SUMMARY

ISSUE/AGENDA TITLE UPDATE – COMMUNICATION/CITIZEN INVOLVEMENT

PREPARED BY: Liz Newton UN DEPT HEAD OK CR CITY MGR OK CR

ISSUE BEFORE THE COUNCIL

Update Council on the City's communication and Citizen Involvement Programs and offer direction on future communication efforts and use of resources.

STAFF RECOMMENDATION

Review the attached memo from Liz Newton presenting communication achievements. Provide direction regarding the Focus on Tigard program and clarify the purpose of the Cityscape. Also review the CCI's recommendations on an expanded neighborhood program and provide direction on how to proceed.

INFORMATION SUMMARY

A memo is attached that summarizes the City's communication programs and outlines the CCI's recommendation for an expanded neighborhood program. The memo includes a recommendation to consider discontinuing production of the Focus on Tigard program and asks for clarification of the purpose for the Cityscape newsletter.

In addition, the CCI's recommendations for an enhanced neighborhood program are outlined. Members of the CCI will attend the Council meeting to offer comments on their recommendations.

OTHER ALTERNATIVES CONSIDERED

None

VISION TASK FORCE GOAL AND ACTION COMMITTEE STRATEGY

Communication Goals

#1) Citizen Involvement opportunities will be maximized by providing educational programs on process, assuring accessibility to information in a variety of formats, providing opportunities for input on community issues, and establishing and maintaining a program of effective two-way communication.

Volunteerism Goals

#1) City will maximize the effectiveness of the volunteer spirit to accomplish the greatest good for our community.

ATTACHMENT LIST

1. Memo from Liz Newton

FISCAL NOTES

No fiscal impact.

MEMORANDUM

Administration



TO: Honorable Mayor and City Council

FROM: Liz Newton, Assistant to the City Manager

DATE: April 4, 2005

SUBJECT: **Update on City's Communication and Citizen Involvement Programs**

The City Council's focus for 2005 is to address three key areas. Overlaying specific actions taken in each of these areas is a commitment to seek more community involvement, tie actions to the Vision Task Force goals and strategies, enhance the appearance of the City, and measure results. This memo provides an update on the City's communication program designed to encourage citizen's involvement in community issues.

Focus on Tigard

Over the last 6 months, Focus on Tigard topics have included the CIP process, Citizen Involvement, the Tigard Beyond Tomorrow Goal Update, the Downtown Plan, a Parks Update and Budgeting 101.

As noted in the October 2004 report to Council, just over 4% of the recent Tigard Beyond Tomorrow survey identified cable programming as the most effective way to get information about City events and issues. Currently cable programming includes Focus on Tigard, City Council meetings and an occasional special production. The audience for cable programming does not appear to have increased over the last 7 or 8 years.

The City does not incur additional costs to air the City Council meetings. Staff presentations are prepared whether or not the meetings air on cable. On the other hand, it's estimated that 25-30 hours of staff time goes into the Focus on Tigard program. This includes time to prepare the announcements and Focus presentation and set up and tape the show.

As you know, MACC has not renewed its contract with TVTV and beginning July 1 will assume responsibility for cable access programming. I understand government programming will be increased.

Now is an opportune time to reconsider how the City uses cable television as a communication tool. Staff recommends that MACC conduct a survey to determine what types of government programming viewers find most effective for getting information about municipal issues. If it's determined that City Council meetings are significantly

"more popular" than Focus on Tigard, staff recommends that Focus be discontinued and resources be focused on Council meetings and other public meetings and events. Staff would investigate the possibility of editing some Council presentations to air as stand-alone programs. The monthly Focus announcements could air on the TVTV Bulletin Board. Staff would still have the opportunity to produce cable programming for specific topics. In addition, Planning Commission and Hearings Officer meetings could be aired.

Communications Plan

Staff is being encouraged to incorporate communications plans into all major programs and projects, especially the implementation of Council Goals. The Department Communicators meet every other month to exchange ideas on effective (and ineffective) communication tools and help monitor the overall effectiveness of the Communication Plan. The Citywide Communication Plan serves as a "how to" for staff on using a variety of tools effectively and will be reviewed over the next few months and amended as appropriate.

Press Releases

During the first quarter of 2005, 80% of press releases issued were published. Press Releases continue to be an effective communication tool for announcing meetings and policy decisions. Text from a press release can be used in a Cityscape article, an item in the Community Connector communication or posted on the City's website.

Community Connectors

Three new Community Connectors have been added since October. A focus of the enhanced Community Connector program will be to ensure there is at least one Community Connector in each neighborhood who will serve as the "information connection" from the City to the neighborhoods.

Cityscape:

Cityscape continues to be a popular communication tool with 28% of the respondents to the recent Tigard Beyond Tomorrow survey identifying it as the most effective way to get information.

Proposed Enhanced Community Connector/Neighborhood Program

Background:

At their October 19, 2004 meeting, Council concurred with the basic concept to create a neighborhood program based on geographic areas divided by common interests such as school attendance areas, major streets, proximity to parks and commercial service areas (minutes attached.)

As a result of the 2004 Tigard Beyond Tomorrow Vision Update process the Community Character and Quality of Life Action Committee included an action plan item for 2005 that reads:

"Develop and implement an enhanced citizen involvement program which may include re-invigorated neighborhood associations encouraging interactions which are led by citizens within 12 months."

The Community for Citizen Involvement (CCI) has been discussing the expanded neighborhood concept at their meetings since last July. The members hosted two open houses to get input from citizen, one in December and one in March. In addition,

CCI member Basil Christopher and City Planner Duane Roberts solicited input from about 50 people at the Library on the proposed concepts on March 5.

Recommended Concept:

At their March 17 meeting, the CCI members discussed the feedback they had received and agreed on a proposed concept for Council consideration.

The proposed neighborhood boundaries would follow elementary school district boundaries further divided by major streets. There are six elementary schools that serve Tigard residents. A portion of Tigard is served by the Beaverton School District. If each area is divided in two, there would be 14 neighborhoods. Further evaluation of each area to balance population and number of households may lead to variations.

The proposed purpose of the neighborhoods would be to provide increased opportunities for citizens to be involved in community issues and connect with the city and other citizens to address concerns. The program would be based on those connections so that as issues arise in the neighborhood the connections care in place³ to address the issues.

Ideally, active neighborhoods would have at least 50% of the area covered by Neighborhood Watch and Community Connectors. There would be at least one person trained in the City's CERT program. One person would be identified and trained to serve as the contact for land use issues and attend neighborhood meetings on development applications. Someone would serve as a liaison to the schools connecting the student needs, volunteer opportunities and resources to the neighborhood. Another person could serve as the CAP liaison to work with the City and neighborhood to address issues raised through the assessment program. Another could be the neighborhood representative to the CCI.

Each neighborhood would also host at least one neighborhood clean-up or beautification project every year with one or two at-large positions. It is envisioned that each neighborhood would have a Steering Committee made up of the individuals that serve in those roles identified above. The Steering Committee meetings would provide an opportunity for all residents of the neighborhood to bring forward issues. It would also provide an opportunity for the Steering Committee members to connect with citizens regarding their area of responsibility.

Each active neighborhood would be required to hold at least one annual meeting with notice provided to everyone. The annual meeting would be timed to coincide with the City's CIP process and provide the opportunity for each neighborhood to nominate projects for consideration. In addition, Steering Committee members would be selected.

It is also envisioned that active neighborhoods would be eligible for grants for neighborhood projects. The funding and grant criteria would be approved by City Council with input from the neighborhood. Ideally, neighborhoods would be able to post information about their activities on the City's webpage.

It is anticipated that the connections made through the neighborhood program would be beneficial when addressing community issues. Members of the Steering Committees could be assembled to provide feedback or input on a variety of topics.

Next Steps:

If the Council accepts the concept recommended by the CCI, a pilot program would be initiated July 1. The boundaries would be further refined and 3-4 neighborhoods identified to work through the details and "test" the concept. Adjustment would be made as appropriate. A report would be made to the Council at the end of the year with kick-off of the new program in January 2006.

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CITY OF TIGARD, OREGON
COUNCIL AGENDA ITEM SUMMARY

ISSUE/AGENDA TITLE Committee for Citizen Involvement Joint Meeting with Council

PREPARED BY: Duane Roberts DEPT HEAD OK [Signature] CITY MGR OK CR

ISSUE BEFORE THE COUNCIL

This Council's first annual joint meeting with the newly-formed Committee for Citizen Involvement.

STAFF RECOMMENDATION

Not applicable.

INFORMATION SUMMARY

Under the Statewide Planning Goals and Guidelines (Goal #1), all jurisdictions are required to have a program for citizen involvement. Tigard's Comprehensive Plan identifies the Citizen Involvement Team facilitators as the City's Committee for Citizen Involvement (CCI). The City's CCI had become inactive in recent years. Membership consisted of only four members. In January, Council adopted a resolution both broadening the role of the CCI and increasing membership to include representation from each of the City's active boards and committees.

The CCI has been charged in evaluating all City communication and public involvement activities. Recent agenda topics have included how to make the City's webpage more user-friendly, Goal 5 natural resource protection public outreach, and the design of the newly proposed Neighborhood Program.

The CCI meets bi-monthly with its most recent meeting being held on March 17, 2005. The joint meeting with Council is an opportunity for CCI and Council members to discuss the new Neighborhood Program and other citizen involvement and communication topics.

OTHER ALTERNATIVES CONSIDERED

N/A

VISION TASK FORCE GOAL AND ACTION COMMITTEE STRATEGY

Community Character and Quality of Life; Communication Goals, #1 – Citizen involvement opportunities will be maximized by providing educational programs on process, assuring accessibility to information in a variety of formats, providing opportunities for input on community issues, and establishing and maintaining a program of effective two-way communication.

ATTACHMENT LIST

Attachment # 1: A Resolution Expanding the Membership of the Committee for Citizen Involvement to include Representatives from the City's Active Boards and Committees and from Future Neighborhood Organizations

FISCAL NOTES

N/A

CITY OF TIGARD, OREGON

RESOLUTION NO. 05- 04

A RESOLUTION EXPANDING THE MEMBERSHIP OF THE COMMITTEE FOR CITIZEN INVOLVEMENT TO INCLUDE REPRESENTATIVES FROM THE CITY'S ACTIVE BOARDS AND COMMITTEES AND FROM FUTURE NEIGHBORHOOD ORGANIZATIONS

WHEREAS, citizen involvement and two-way communication with its citizens is highly important to the City of Tigard; and

WHEREAS, State law requires the City to maintain a citizen involvement program that insures the opportunity for citizens to be actively involved in the land use process; and

WHEREAS, the Committee for Citizen Involvement (CCI) is the City's primary public involvement body for land use issues; and

WHEREAS, the Committee's purview has been broadened to include both land use and the broad array of non-land use public involvement and communication issues; and

WHEREAS, the Council in 1993 created the Citizen Involvement Teams; and

WHEREAS, the Tigard Comprehensive Plan Policy 2.1.2.c designates the Citizen Involvement Team Facilitators as the City's Committee for Citizen Involvement; and

WHEREAS, the Citizen Involvement Teams are no longer active; and

WHEREAS, the Citizen Involvement Team facilitators are designated as the City's CCI; and

WHEREAS, of the original eleven members, the Committee currently includes only active four members; and

WHEREAS, the City desires to broaden the Committee's membership to include individuals broadly representative of the City's geographic areas and diverse interests and perspectives,


NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:

SECTION 1: The City of Tigard Committee for Citizen Involvement shall be expanded to include one representative of each active board and committee.

SECTION 2: The City of Tigard Committee for Citizen Involvement can be expanded to include representatives of future Neighborhood Organizations officially recognized as such by the City of Tigard.

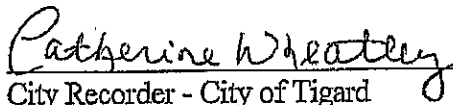
SECTION 3: This resolution is effective immediately upon passage.

PASSED: This 11th day of January 2005.



Mayor - City of Tigard

ATTEST:



City Recorder - City of Tigard

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AGENDA ITEM # 4
FOR AGENDA OF 4/19/05

CITY OF TIGARD, OREGON
COUNCIL AGENDA ITEM SUMMARY

ISSUE/AGENDA TITLE Review of Policies and Practices for Acquiring Park Land and Open Space.

PREPARED BY: Dan Plaza, 2590 DEPT HEAD OK  CITY MGR OK 

ISSUE BEFORE THE COUNCIL

- 1) Does the City have the authority to purchase land outside the City limits?
- 2) What is the City's policy/practice on purchasing land outside the City limits?
- 3) Is the granting of SDC credits an administrative act or a matter for Council?
- 4) Discussion of criteria matrix to evaluate park and open space dedications by developers.

STAFF RECOMMENDATION

Review the attached policy issues regarding park and open space acquisition and give direction to staff.

INFORMATION SUMMARY

In response to the 2005 Council Goal (to identify and acquire park land and open space), staff has reviewed current policy positions of the City to ascertain if current policy supports the Council's goal to acquire land. The four above mentioned issues were identified and staff requests discussion and direction by Council.

Attached is a copy of an opinion rendered by the City Attorney's office pertaining to the issues. Issue one, the City Attorney opined that the City has the authority to purchase land outside the city limits.

Issue two relates to the practice of past Council's of not purchasing land outside the city limits. On this issue staff is requesting direction from the council. Does Council want to continue the past practice of not purchasing property outside the city limits or does the Council want to authorize staff to pursue the acquisition of park and open space land outside the city limits, but within the UGB and/or the expansion areas?

The third issue deals with the mechanism of authorizing park SDC credits in exchange for land dedicated to the city by developers. Again, the City Attorney opined that SDC credits are normally granted as an administrative matter without the approval of Council. Staff wants to discuss this matter with the Council and confirm their desire to keep this an administrative function at this time.

Lastly, staff has been in contact with several developers who currently are preparing proposals to the Public Works Department to either directly donate land or to seek park SDC credits as compensation for the public dedication of park land or open space. To process these requests, staff has developed a criteria matrix to evaluate these types of proposals. If the Council concurs with the attached criteria, staff will begin processing these proposals to prepare recommendations and present them to the Council for action.

OTHER ALTERNATIVES CONSIDERED

n/a

VISION TASK FORCE GOAL AND ACTION COMMITTEE STRATEGY

2005 Council Goal (Identify and acquire park and open space)

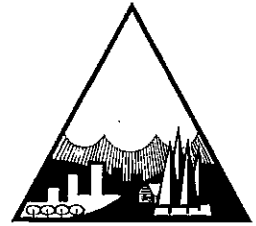
ATTACHMENT LIST

- 1) Staff Memo dated 3/29/05
- 2) City Attorney memo dated 3/28/05
- 3) Staff draft criteria matrix

FISCAL NOTES

n/a

MEMORANDUM



TO: Craig Prosser

FROM: Dennis Koellermeier

RE: COT Purchasing Land Inside or Outside the City Limits

DATE: March 29, 2005

History:

The position (practice, if you will) of past Councils has been to not purchase or develop property outside the city limits using City funds. The City's urban services agreement with Washington County sets forth that Tigard will be the park and recreation service provider in areas such as unincorporated Bull Mountain.

The impact of the Council's position or practice not to purchase or develop property outside the City limits using City funds are:

- no land has been purchased/developed on Bull Mountain
- no land has been purchased/developed in the UGB or beyond
- no land has been purchased/developed in identified areas where growth is to occur
- COT is currently deficient in parks (26.31 acres) and open spaces (28.06 acres)

Current Situation

The Council has adopted a 2005 Council Goal aimed at "Addressing Growth" with an objective being to "Identify and purchase parks and open space". Several questions needed legal counsel attention and they are as follows:

1) Can the City purchase property outside the City limits, and, if so would there be any limitations as to where the property is? For example, can it be within the UGB, or the urban services area, or anywhere the City wishes to purchase land?

In regard to this question, Gary Firestone states:

"ORS 223.005(2) gives cities the authority to "appropriate any real property . . . to any public or municipal use or for the general benefit and use of the people within or without the city." The City therefore has express statutory authority to acquire land anywhere for public or municipal purposes. While the City may acquire land anywhere, it is constrained by applicable land use laws, like any other landowner."

2) What is the Council's policy/position/practice on purchasing land outside the City limits? The Council's policy/position/practice has been to not purchase or develop property outside the City limits using City funds.

In regard to this question, Gary Firestone's states:

"We believe that "policy" and "practice" should be distinguished. A policy requires some action by the Council (at minimum, a statement made by a majority of the Council members). We believe that the City has had a practice of not acquiring land for parks outside the City, but are unaware of any policy to that effect.

The fact that the Council has accepted a Park SDC calculation that includes a CIP with land outside the City does not necessarily establish a policy regarding the purchase of park lands outside the City. Annexation of the designated parks sites is possible, either before or at the same time as the parks acquisition.

As we discussed, it would be appropriate to seek direction from the Council as to whether the Council wishes acquisition of park lands outside the City limits to proceed without regard to when the property may be annexed."

Gary Firestone was also asked the following question:

Is the granting of SDC credits an administrative act or a matter for Council?

In regard to this question, Gary Firestone's states:

"The code does not specify the procedures for granting credits. However, SDC credits are normally granted as an administrative matter without the need for Council approval. Given that the code authorizes the credits, it would be appropriate for credits to be granted administratively, at least under most circumstances."

RECOMMENDATIONS:

- 1) Present this information to Council during the upcoming April 19, 2005, Council meeting.
- 2) Seek Council direction on whether or not the Council wishes to purchase land outside the city limits.
- 3) Seek Council direction on whether or not they want to make final decisions re: Granting SDC credits to developers, or do they want to leave it as an administrative function.

RAMIS
CREW
CORRIGAN &
BACHRACH, LLP

ATTORNEYS AT LAW

1727 N.W. Hoyt Street
Portland, Oregon 97209

(503) 222-4402
Fax: (503) 243-2944

MEMORANDUM

To: Dan Plaza, Parks Director, City of Tigard
From: Gary Firestone, City Attorney's Office
Date: March 28, 2005
Re: Land Purchases; SDC Credits

ISSUES

1. Does the City have authority to purchase land outside the City limits?
2. What is the City's policy on purchasing land outside the City limits?
3. Is the granting of SDC credits an administrative act or a matter for council?

ANSWERS

1. ORS 223.005(2) give cities the authority to "appropriate any real property . . . to any public or municipal use or for the general benefit and use of the people within or without the city." The City therefore has express statutory authority to acquire land anywhere for public or municipal purposes. While the City may acquire land anywhere, it is constrained by applicable land use laws, like any other landowner.

2. We believe that "policy" and "practice" should be distinguished. A policy requires some action by the Council (at a minimum a statement made by a majority of the Council members). We believe that the City has had a practice of not acquiring land for parks outside the City, but are unaware of any policy to that effect.

The fact that the Council has accepted a Park SDC calculation that includes a CIP with land outside the City does not necessarily establish a policy regarding the purchase of park lands outside the City. Annexation of the designated parks sites is possible, either before or at the same time as the parks acquisition.

As we discussed, it would be appropriate to seek direction from the Council as to whether the Council wishes acquisition of park lands outside the City limits to proceed without regard to when the property may be annexed.

3. The code does not specify the procedures for granting credits. However, SDC credits are normally granted as an administrative matter without the need for council approval. Given that the code authorizes the credits, it would be appropriate for credits to be granted administratively, at least under most circumstances.

Criteria to be used in determining whether the City is willing to accept land being donated to the City by a land owner/or by a developer in lieu of SDC's

Location: Scale of 1-5 / address Scale 1(poor) to 5 (good)
Suitable Size: 1-5 / what is acreage
Accessibility: 1-5
Visibility: 1-5
Clear Title: Yes/No
Linkage: Yes/No/Describe
Able to be developed: Yes/No
Utilities: Yes/No/List
Useability: 1-5 (active park/greenway/trail/site expansion)
Cultural Significance: Yes/No/Describe
Unique Site: Trees/Wetlands/etc Yes/No/Describe
Adverse Impact on Maintenance: Yes/No/Describe
Liability, if any, of taking on the property: Yes/No/Describe
Will land be protected anyway by land use regs/etc. Yes/No/Describe
Is an initial intake City investment needed, e.g. fencing/clean-up/\$\$-estimate
Is the land involved in a mitigation situation, Yes/No/Describe
Does the land comply with PSMP (deficiency/park level of service standard/etc.)

PROCESS: When the City is offered a land donation the property owner must provide the City with a letter setting forth what it is they are proposing. The land owner must attach the following to the letter: 1) plat of the property, 2) lot map, 3) topographic map, 4) acreage, 5) document showing clear title, 6) utilities, 7) any known uniqueness of the property (cultural/trees/wetlands/floodplain/etc.) and 8) all pertinent information/calculations related to a request for Parks SDC credit.

If donation offers are initiated within the Engineering or Community Development Department it is essential that the Parks Division be notified immediately so this criteria analysis can be completed and a recommendation be made to City Council on whether they should accept the land donation or not, and if applicable, award SDC credits.

AGENDA ITEM # 5
FOR AGENDA OF April 19, 2005

CITY OF TIGARD, OREGON
COUNCIL AGENDA ITEM SUMMARY

ISSUE/AGENDA TITLE Discuss Urban Renewal Plan Elements

PREPARED BY: Jim Hendryx DEPT HEAD OK: [Signature] CITY MGR OK: [Signature]

ISSUE BEFORE THE COUNCIL

Provide direction on: 1) governance of the urban renewal plan; 2) concurrence on public outreach for the urban renewal plan; and 3) continuing support of the Hwy. 217 Corridor Revitalization Project.

STAFF RECOMMENDATION

Provide direction on how to proceed with key aspects of establishing an urban renewal effort within the City, leading to an election in May, 2006.

INFORMATION SUMMARY

Council established a 2005-06 goal for completing and implementing the Downtown Improvement Plan. Urban renewal is a tool identified to carry out this goal.

Tigard's Charter and the Tigard Municipal Code (TMC) require voter approval for urban renewal and the use of tax increment financing. In order to meet Council's goal of placing the matter before the voters in May of 2006, specific direction is needed.

The TMC identifies the City Council as functioning as the Urban Renewal Agency (City Center Development Agency). Council needs to provide direction on whether they want to serve in this capacity or assign the responsibility to some other body. The TMC also establishes a 7-12 member Advisory Commission (City Center Advisory Commission) charged with assisting and advising the Urban Renewal Agency. Direction is needed on the composition of the Advisory Commission and its selection process.

Public outreach will be a key component in the effort to establish an urban renewal district within the City. To this effort, Council approved a RFP to obtain consultant services to assist in developing a public outreach program. The citizen involvement program utilized with development of the Downtown Improvement Plan has been effective in engaging the community. Such an approach is envisioned with the urban renewal effort. Council direction is requested on the generalized approach for public outreach.

Washington County, Beaverton, Tigard, Tualatin Valley Fire & Rescue, and Tualatin Valley Park and Recreation District have been evaluating the feasibility of establishing a Revitalization District (Urban Renewal District) along the Hwy. 217 corridor, to include Downtown Tigard. Tigard's continued involvement is essential to the success of this effort. Direction is needed on Council's support to the corridor-wide project.

OTHER ALTERNATIVES CONSIDERED

1. Delay proceeding at this time, postponing election until November, 2006 or later.
2. Participate in the Hwy. 217 Corridor Revitalization Project, potentially delaying an election on urban renewal until after the May, 2006 election

VISION TASK FORCE GOAL AND ACTION COMMITTEE STRATEGY

Community Character and Quality of Life/Central Business District Goal #1, Provide opportunities to work proactively with Tigard Central Business District Association (TCBDA) businesses and property owners and citizens of Tigard to set the course for the future of the central business district.

ATTACHMENT LIST

Attachment 1: Memo to Council dated April 5, 2005 – Urban Renewal

FISCAL NOTES

Council has consented to using consultant services to prepare a public outreach program and develop an urban renewal plan. Combined costs for these are estimated to be \$80,000, which would be paid from the General Fund.

MEMORANDUM

CITY OF TIGARD

TO: Mayor and City Council

FROM: Jim Hendryx *JPH/KlemClay*

DATE: April 5, 2005

SUBJECT: Urban Renewal

Council established a 2005-06 goal of completing and implementing the Downtown Improvement Plan. Urban renewal is a tool that was identified to carry out this goal. At its March 8, 2005 study session, Council provided direction to proceed with requesting proposals (RFPs) from consultants to assist with a public outreach program and development of an urban renewal plan. Council approved, by consent, two RFPs on April 12, 2005.

Tigard's Charter and the Tigard Municipal Code (TMC) require voter approval for urban renewal and the use of tax increment financing. In order to meet Council's goal of placing the issue before the voters at the May, 2006 election, a compressed timeline is required.

Governance

The TMC identifies that the City Council functions as the City Center Development Agency (Urban Renewal Agency). Council needs to decide whether they intend to function as the City Center Development Agency. If not, direction needs to be provided to 1) amend the TMC to provide for another structure to carry out those functions; 2) determine the composition of who would carry out the functions of the Urban Renewal Agency, and; 3) determine the selection process for the agency and reporting functions. Other structures and the role of governance can be considered.

The TMC identifies a City Center Advisory Commission made up of 7-12 members. The Commission is responsible for advising the City Center Development Agency on the plan, projects identified in the plan, and public outreach. Council must determine the makeup of the Commission. It can be made up any number of ways, including 1) entirely of members from throughout the community and/or stakeholders (e.g., environmental, financial, etc.); 2) combination of citizens at large and members of the Downtown Task Force and/or Planning Commission; or 3) any other makeup chosen by Council. Direction is needed in order to proceed with the selection process. Council's direction will establish the procedures for recruitment and appointment and its involvement in the process.

As noted, the size of the City Center Advisory Commission is 7-12 members, however, the TMC is silent with regard to workgroups that can support the Commission's efforts. The Commission is responsible for assisting and advising the City Center Development Agency. Broadening the base of support to assist the Commission by providing for working groups would enhance the level of citizen involvement and public outreach. Direction should be given to allow the Commission to form working groups to support their efforts.

Public Outreach

Public outreach is a critical aspect of the effort of developing an urban renewal plan and, in Tigard's case, voter approval. To this effort, Council approved a RFP to obtain consultant services to assist in developing a public outreach program. The citizen involvement program utilized with development of the Downtown Improvement Plan has been effective in engaging the community. Such an approach is envisioned with the urban renewal effort.

Highway 217 Corridor Revitalization Project

As Council is aware, Washington County, Beaverton, Tualatin Hills Park and Recreation District, Tualatin Valley Fire & Rescue District, and the City of Tigard have been evaluating the feasibility of forming an urban renewal district for revitalization of the Hwy. 217 corridor from Hwy. 26, to include Downtown Tigard. Tigard's action to proceeding with development of an urban renewal plan focusing on the Downtown for a May, 2006 election provides some level of uncertainty to the larger corridor revitalization project.

Council has indicated that the effort on the Downtown should proceed; however, if feasible, it should be coordinated with the broader efforts of revitalizing the larger Hwy. 217 project. Council's support for the larger corridor revitalization project is essential for that project to continue regardless of the schedule for Tigard's Downtown. While Council has been individually briefed on the Hwy. 217 Corridor Revitalization Feasibility Project, formal discussion has not occurred. Without Tigard's involvement, especially with the Washington Square Regional Center and its surrounding areas in Beaverton and unincorporated Washington County, this effort will most likely be terminated. Council's support on this issue is needed for the Hwy. 217 corridor-wide revitalization effort to continue. It will take a great deal of effort to coordinate Tigard's urban renewal project leading to a May, 2006 election with the larger project.

Conclusion

In conclusion, to meet the critical timeline leading to a May, 2006 election on urban renewal for the Downtown, several decisions must be made:

1. Governance
 - makeup of the City Center Development Agency
 - composition and selection process for the 7-12 member City Center Advisory Commission
2. Public Outreach
 - generalized direction for the public involvement process
3. Highway 217 Corridor Revitalization Project
 - continued support for the Hwy. 217 Corridor Revitalization Project

AGENDA ITEM # 6
FOR AGENDA OF 4/19/05

CITY OF TIGARD, OREGON
COUNCIL AGENDA ITEM SUMMARY

ISSUE/AGENDA TITLE Solid Waste Program Review

PREPARED BY: Dennis Koellermeier DEPT HEAD OK  CITY MGR OK CP

ISSUE BEFORE THE COUNCIL

Information only at this time, regarding Solid Waste Program.

STAFF RECOMMENDATION

Receive informational presentation.

INFORMATION SUMMARY

Solid waste management is provided locally by Metro and the City of Tigard. Metro sets regional standards, manages regional issues such as disposal facilities, transfer centers, etc., while Tigard is responsible for the actual collection of solid waste, recyclables, etc.

Tigard has historically managed solid waste collection by the issuance of exclusive franchises. Tigard has local codes that govern both the franchise process as well as company and customer responsibilities. Currently two franchises exist: Pride Disposal, which covers about 70% of the City, and Waste Management, which covers the remainder.

Tigard City Council is responsible for setting rates for solid waste collection. Rates were last adjusted in 2002. Staff has commenced review of financial reports from the current haulers and it appears that a rate adjustment in 2005 will be needed.

Prior to considering rates, staff thought it appropriate to prepare and present information to Council relating to the franchise process, rate setting methodologies, current and potential services, and an introduction to regional solid waste issues. The City has retained the services of Chris Bell to assist staff on rate reviews and other solid waste issues and he will assist staff in this presentation. The haulers will also be present to provide information and answer any questions Council may have.

A presentation of annual hauler reports is scheduled for April 26 and a rate setting hearing before the Council in late May.

OTHER ALTERNATIVES CONSIDERED

None

VISION TASK FORCE GOAL AND ACTION COMMITTEE STRATEGY

N/A

ATTACHMENT LIST

N/A

FISCAL NOTES

N/A

AGENDA ITEM # 7
FOR AGENDA OF April 19, 2005

CITY OF TIGARD, OREGON
COUNCIL AGENDA ITEM SUMMARY

ISSUE/AGENDA TITLE Workshop – Strategic Finance Plan Issue Paper(s) Discussion
PREPARED BY: Tom Imdieke 2 DEPT HEAD OK 2 CITY MGR OK cl

ISSUE BEFORE THE COUNCIL

The City prepared its first Strategic Finance Plan in 2003. The City Council now has the opportunity to update the plan and direct staff to make any appropriate changes as determined by the Council.

STAFF RECOMMENDATION

Update the Strategic Finance Plan with the appropriate changes as determined by the City Council.

INFORMATION SUMMARY

The City prepared its first Strategic Finance Plan in 2003. It is time to update that plan to reflect current conditions and issues.

As we did in 2003, Executive Staff first brainstormed a list of issues that they feel are current or will soon be faced by the City. Executive Staff then organized that list into rough order of priority. Finally, staff wrote brief (1 to 2 pages) issue papers on each issue to present to Council. Those issue papers were distributed earlier to the City Council for their review.

Council may choose to include all of the attached issues in the final Strategic Finance Plan or it may drop any issues that it feels appropriate and add any issues it feels are missing from this packet. Finally, Council will be asked to discuss the final list of issues, to assign priorities and timelines, and to provide direction to staff on how the Council wishes staff to proceed on these issues.

OTHER ALTERNATIVES CONSIDERED

N/A

VISION TASK FORCE GOAL AND ACTION COMMITTEE STRATEGY

The Strategic Finance Plan can act as a tool in developing strategies and funding for implementation of projects to address goals as outline in the Vision Statement.

ATTACHMENT LIST

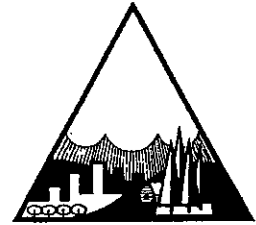
Copies of the draft 2005 Strategic Finance Plan Issue Papers.

FISCAL NOTES

N/A

REVISED

MEMORANDUM



TO: Mayor Craig Dirksen
Tigard City Council and Councilor-Elect

FROM: Craig Prosser, Finance Director

RE: Draft Strategic Finance Plan

DATE: December 14, 2004

Attached to this memo is a draft of the 2005 Strategic Finance Plan for your review and consideration. The City prepared its first Strategic Finance Plan in 2003. It is time to update that plan to reflect current conditions and issues.

As we did in 2003, Executive Staff first brainstormed a list of issues that they feel are current or will soon be faced by the City. Executive Staff then organized that list into rough order of priority. Finally, staff wrote brief (1 to 2 page) issue papers on each issue to present to Council. The attached packet contains these issue papers.

Council will have at least two opportunities to review and discuss these issues. The first opportunity will come on January 18 at the annual Goal-setting session. At that time, Council may choose to bring some of the issues forward from the attached packet to be considered as possible Council goals for 2005. The second opportunity will come at a second meeting to discuss the Strategic Finance Plan itself. Staff is suggesting that this second meeting occur at the Council workshop meeting of February 15, 2005.

At these meetings, Council may choose to include all of the attached issues in its Goals or in its Strategic Finance Plan. It may also drop any issues that it feels appropriate and add any issues it feels are missing from this packet. Finally, Council will be asked to discuss the final list of issues, to assign priorities and timelines, and to provide direction to staff on how the Council wishes staff to proceed on these issues. Most of this discussion will take place at the Strategic Finance Plan meeting.

The packet starts with summary tables that also serve as a Table of Contents. The summary tables provide a one-stop look at all issues. They also contain three columns that require particular attention by Council:

- Recommended Priority – this column shows the priority of each issue as determined by Executive Staff. During the Council review of the Strategic Finance Plan, Council will be asked to confirm or modify these priorities. Priorities are listed from 1 (high) to 5 (low).

- Council Goal Candidate? – This column identifies issue papers which Council may want to bring forward during the annual Goal-setting session on January 18 for possible inclusion in the Council Goals for 2005.
- Strategic Finance Plan Candidate? – This column identifies issues which Council may want to consider in the final Strategic Finance Plan for 2005.

This packet of materials is being furnished to you today so that you have an opportunity to review these issues prior to the Goal-setting session on January 18.

cc: Bill Monahan, City Manager
Executive Staff

Strategic Finance Plan Issues

Executive Staff Priorities

Revenue Options

Rec. Priority	Potential Timing	Issue	Fund(s) Impacted	Amount	Method of Approval/ Implementation	Council Goal Candidate?	Strategic Finance Plan Candidate?	Vision Survey Issue?	Page Number
1	2005	CWS Split of sanitary and Stormwater Revenues	Sanitary Sewer & Storm Sewer	Unknown reduction	Negotiations with CWS	No	Yes		53
1	2006	Local Option Property Tax	General	TBD	Citywide Vote	Yes	Yes		55
1	2004	Long Range Planning Fee	General	\$40,000	Council resolution	No	No		57
1	2005	Other User Fees	General	TBD	Council resolution	No	Yes		59
1	2004	Parks SDCs	Parks CIP	\$5.6 million	Council ordinance & resolution	No	No		60
1	2005	ROW Fee Review	Various	TBD	Council resolution	No	Yes		62
1	2005	Street Maintenance Fee Review	Street Maintenance Fee	TBD	Staff report to Council	No	No		64
1	2005	Telecommunication s Regulation	General	\$325,000 to \$1.37 million reduction	TBD	No	Yes		66

Rec. Priority	Potential Timing	Issue	Fund(s) Impacted	Amount	Method of Approval/ Implementation	Council Goal Candidate?	Strategic Finance Plan Candidate?	Vision Survey Issue?	Page Number
1	2005 to 2006	Transportation Financing	Other	TBD	Council ordinance & resolution. Possible citywide vote.	Yes	Yes		68
1	TBD	Urban Renewal	Various	TBD	Council resolution and Citywide vote	Yes	Yes		70
1	2005	Water Utility Rates	Water	TBD	IWB approval & Council resolution	No	Yes		72
1	2006	WCCLS Levy	General	TBD	Countywide vote	No	Yes		74
2	2005, with money distributed in 2007	MSTIP Revenue	Various	\$3 million to \$5 million	County approval	No	Yes		76
3	2005	Franchise Fee – Water & Sewer	General, Water, & Sanitary Sewer	\$441,000 per year	Council ordinance & resolution	No	Yes		78
3	TBD	Privilege Tax	General	\$647,000	Council ordinance & resolution	No	Yes		80
3	2005	Telecommunications Registration Fee	General	Unknown	Council ordinance & resolution	No	Yes		83
3	2005	Water Revenue Bond	Water CIP	\$8.84 million	Council resolution	No	Yes		85
5	2005	Passport Agency	General	TBD	Council resolution	No	Yes		87

Strategic Finance Plan Issues Executive Staff Priorities Funding Needs

Rec. Priority	Potential Timing	Issue	Fund(s) Impacted	Amount	Method of Approval/ Implementation	Council Goal Candidate?	Strategic Finance Plan Candidate?	Vision Survey Issue?	Page Number
1	2005	Communication	General & Other	\$141,500 plus	Council direction	Yes	No	Yes	1
1	2005	Downtown Improvements	General plus others	TBD	Council resolution & citywide vote	Yes	Yes	Yes	3
1	FY 2005-06	Environmental Program	General	\$20,000	Council direction & Budget	Yes	Yes	Yes	5
1	2006	General Fund Projections	General	\$1.5 million in FY 2008-09	Council direction	Yes	Yes		7
1	2004	Increased Legal Costs and Annexation Issues	General	\$50,000	Council direction, Budget Amendment	No	Yes		9
1	2004	Measure 37	General	TBD	Staff implementation & Budget	No	Yes		11
1	2005	Value Added Interest	various	TBD	Council direction & Budget	Yes	Yes		13
2	2005	Comprehensive Plan Update	General	\$225,000	Council Goal & Budget	Yes	Yes	Yes	15
2	TBD	Library Operational Hours	General	\$105,000	Council resolution and funding	No	Yes		17

Rec. Priority	Potential Timing	Issue	Fund(s) Impacted	Amount	Method of Approval/ Implementation	Council Goal Candidate?	Strategic Finance Plan Candidate?	Vision Survey Issue?	Page Number
3	2005-06	Enhanced Neighborhood Program – CAP	Various	TBD	Council direction or resolution	Yes	Yes	Yes	19
3	2005	Enhanced Training	Various	TBD	Council direction & Budget	No	Yes		21
3	2006 or 2008	MSTIP Needs	Road	\$10 million to \$20 million	Countywide vote	No	Yes	Yes (Transp. Improvement)	23
3	TBD	Parks & Open Spaces Acquisition	Parks CIP	\$3.59 million	Council resolution & citywide vote	Yes	No	Yes (Protection)	25
3	2005 through 2010	Public Facilities Capital Projects – PW, Records, Police	Facilities, Water, Sanitary, Storm	\$3.41 million	CIP & Budget	No	Yes		27
3	2005	ROW Maintenance Needs	TBD	\$25,000 to \$450,000	Budget	Yes	Yes	Yes	29
3	2005 to 2006	Water Supply Source	Water, Water CIP	\$80 million to \$90 million	IWB Approval & Council resolution	Yes	Yes		31
4	2005 to 2009	Centralizing City Information	Various	\$500,000 to \$1,000,000	Council direction & Budget	No	Yes		33
4	TBD	Economic Development	TBD	TBD	Council direction	Yes	Yes	Yes	35

Rec. Priority	Potential Timing	Issue	Fund(s) Impacted	Amount	Method of Approval/ Implementation	Council Goal Candidate?	Strategic Finance Plan Candidate?	Vision Survey Issue?	Page Number
4	2005	Urban Growth Boundary	General	\$250,000 to \$450,000	IGA with County	No	Yes		37
5	2005 to 2008	New Police Facility	Facilities	\$150,000 plus \$10,000,000	Citywide vote	No	Yes		39
5	2005 to 2009	Records Program	Various	\$187,000	Budget	No	Yes		41
5	2005 to 2008	Recreation Programs	General	\$860,000	Budget	Yes	Yes	Yes	43
5	2007	Senior Center CDBG Grant Match	General (Facilities)	\$450,000 plus \$450,000 grant	Council direction	No	Yes		45
5	2005	Solid Waste Mgt./Recycling/ Code Enforcement	General	\$156,000	Negotiation with Haulers & Council resolution	No	Yes		47
5	2005	Youth Programs	General (Grant)	\$100,000 per year	Council Resolution & Budget	Yes	Yes		49
Overall Issue	2005	Employee Benefit Costs	Various	TBD	Union negotiations & Council Action	No	Yes		51

Funding Needs Communication Issue Summary

Definition: The City uses a variety of tools and methods to inform, educate, and get input from citizens. The goal is communication that is consistent, accurate, timely and responsive to citizen's needs, interests and community goals. In addition, two-way communication includes closure and feedback to ensure the information shared is understood.

The methods the City uses to communicate with citizens include: written tools such as Cityscape, the web page, press releases, TVTV (cable TV) productions brochures, flyers, reports, community connectors, e-mail, displays, surveys and bill stuffers. In most cases, the majority of the cost for these items is the staff time needed to develop the material. Printing costs for brochures, flyers and bill stuffers is often an insignificant part of a project cost, which may or may not be funded with general fund dollars. The exceptions are the webpage, cable TV productions, and the Cityscape. One FTE is dedicated to the webpage at an approximate cost of \$81,500. Printing and mailing nine issues of the Cityscape each year costs approximately \$60,000, excluding staff time. These are both funded with general fund dollars.

Another tool is cable television. The City televises two City Council meetings per month and the monthly Focus on Tigard program. TVTV provides the crew for the City Council meetings at no cost to the City. City employees produce/direct and appear in the Focus program as part of regular work assignments.

Face to face communication with citizens at meetings, public hearings and over the counter is still an important communication tool but the cost of those meetings is assumed as part of doing business.

Revenue Required/Revenue Potential: Webpage support costs about \$81,500 per year. Nine issues of Cityscape cost \$60,000 excluding staff time required to write and publish Cityscape. All other costs are embedded in other projects and department budgets.

Work Completed to date: The Tigard Beyond Tomorrow survey conducted in the summer of 2004 asked respondents what the most effective means for communication are. Mailed notices and the Cityscape were the most popular at over 28% with the website being second at 17.5%. The newspaper was third at around 15%. In 2000 the website was named by only 6% of the respondents.

Implementation Action Required: As a cost saving measure the City Council cut back from twelve to nine Cityscape newsletters last budget year. Since the Cityscape

remains a popular communication tool, it is worth investigating less costly alternatives that might allow additional issues to be printed at the same or less cost. In addition, the Council should discuss the communication tools available and determine if new ones should be added and less effective methods used less frequently.

Timing: At the Council goal setting in January, staff will have information available on possible cost effective alternatives to expand the distribution of the Cityscape and other communication tools. For example, it might be more cost effective to print the Cityscape on newsprint, contract with the School District to print the newsletter, or encourage more readers to access the Cityscape on-line to reduce postage costs.

If the Council provides direction on other communication priorities at the goal setting session, staff will investigate cost effective alternatives to include in the proposed budget.

Advantages:

- Using a variety of communication tools helps to ensure citizens have access to information and decision makers.
- The information gained in the recent Tigard Beyond Tomorrow vision survey can be used as a starting point to evaluate the effectiveness of the communication tools currently in use.

Disadvantages:

- The costs for producing communication tools are generally paid for with General Fund dollars, and costs such as printing and postage continue to increase.

Recommendation: Gather information on alternatives that would reduce or maintain the cost of producing various communication tools as information for Council's January goal setting.

Council Priority/Discussion:

Funding Needs

Downtown Improvements

Issue Summary

Definition: The Tigard community is going through an effort to shape the future of Tigard's downtown. Over the next several months the Downtown Improvement Task Force will develop, with the input of the entire community, the future direction for the downtown. The resulting plan will identify development patterns and capital improvements that are needed. How will these improvements be paid for? One option that will be considered by the Task Force and ultimately Council will be the creation of an urban renewal district to generate dedicated revenues to pay for needed improvements Downtown Tigard. The Tigard Charter currently prohibits any renewal districts without an approving vote of the people.

Revenue Required/Revenue Potential: To be determined. The Downtown Improvement Plan, which is scheduled for completion in June 2005, will identify needs and revenues.

Work Completed to date: The Downtown Task Force was appointed by Council in 2004. The City was awarded a Transportation and Growth Management Grant (\$129,000) to complete the Downtown Improvement Plan by June 2005. The project is on schedule.

Implementation Action Required: Adoption of Downtown Improvement Plan. City Charter prohibits the formation of any urban renewal district without an affirmative citywide vote. Council could refer one of two measures to the people:

1. An amendment of City Charter to remove the requirement for a citywide vote, or
2. Approval of one or more urban renewal districts.

Timing: 2005 to 2006

Advantages:

- The Downtown Improvement Plan will set the standard for the future of the downtown.
- Creation of a dedicated funding source that increases with growth in assessed values in the urban renewal district and that can be used to pay for needed improvements.
- Public improvements paid for by urban renewal or other methods will spur private investment that will further increase values in the district, and will accommodate job and housing growth.
- Once the urban renewal plan is accomplished and all costs are paid for, the assessed value is returned to the general tax roles and helps pay for citywide services.

Disadvantages:

- Urban renewal “locks up” growth in assessed values during the life of the urban renewal plan, thereby limiting growth in tax revenues for all overlapping taxing jurisdictions.
- Urban renewal mechanics are complicated and difficult to explain to the public in an election setting.
- Creation of an urban renewal district requires the active support of major property owners within the proposed district.

Recommendation:

- Complete the Downtown Improvement Plan by June 2005.
- Explore urban renewal as an option to implement the Downtown Improvement Plan.
- Work with property owners in the Tigard Central Business District to assess the level of interest and support for urban renewal.
- Develop a proposed timeline for resolution of this question.

Council Priority/Discussion:

Funding Needs Environmental Program Issue Summary

Definition: Much of what the City of Tigard provides as services and public processes revolve around environmental issues. The Visioning process, public comment, and mandated land use public hearings consistently encourage a higher level of environmental sensitivity, preservation of natural resources, and increased efforts by the City in this area. City issues as diverse as land use regulations, public purchasing, public property maintenance protocols, and volunteer projects all have a common thread of good environmental practices impacting them, and are an area where the City can improve in the delivery of service and public support. There is a clear expectation from the public that the City, as an organization, improve its environmental stewardship.

Revenue required/Revenue potential: Unknown at this time. It is currently believed that much of the work the City is doing could be modified or reorganized at a low cost to improve environmental sensitivity. The City will probably need to add some level of technical expertise in staff or consultant support to supplement current capabilities. For financial planning purposes, a combination of existing expenses being re-organized and an additional \$20,000 annually for environmental technical expertise is suggested. The \$20,000 would pay for a pilot program, with the design of a larger program, if needed, to be based on the results of the initial effort. Ultimately, funding may be necessary for capital costs such as sensitive land purchases, rehabilitation activities on environmentally damaged public lands, conservation easements, etc.

Work Completed to date: This concept has been discussed by senior staff but no action has been proposed or taken.

Implementation Action Required: Implementation would be accomplished by a combination of Council direction, staff action, and budget implementation. A citywide vote to support a funding measure may develop from this project.

Timing: Implementing changes to existing programs and developing new program focus and structure could be accomplished in a six month period. Program aspects requiring budget approval could be developed as a part of the FY 2005-06 budget process and accomplished after July 1, 2005

Advantages:

- Higher rate of protection for natural resources
- Higher rate of environmental awareness affecting City issues.
- Development of policy and regulation consistent with public expectations.
- More public support
- Less controversy and criticism

Disadvantages:

- Potential for increased cost

Recommendation: The Council should consider this proposal, and if supportive, direct staff to further develop the concept and an action plan for implementation.

Council Priority/Discussion:

Funding Needs

General Fund Projections

Issue Summary

Definition: Every year, prior to beginning its annual budget process, the City develops a five-year forecast of revenues and expenditures for all major City funds. For the past several years, the forecast has shown a declining General Fund ending fund balance. This trend is the result of limited revenue growth, increased costs, and greater demand for public services. In the FY 2004-09 forecast, the General Fund balance was projected to go negative in FY 2007-08.

The preliminary forecast for FY 2005-10 has just been completed. It continues to show a downward trend in General Fund balances. The date of the potential deficit has been pushed out to FY 2008-09.

The City has been working for a number of years to address this downward trend in General Fund balances.

Revenue Required/Revenue Potential: The FY 2005-10 preliminary forecast shows that the General Fund balance could go negative by as much as \$1.5 million dollars in FY 2008-09. Under the Oregon Constitution and laws, governmental agencies are prohibited from deficit spending, so corrective action must be taken to limit expenditures or increase revenues.

Work Completed to date: The City has been preparing a five-year financial forecast every year since the 1980s. The most recent forecast will be presented to Council at its Goal Setting Session on January 18, 2005.

In 2003, the City Council adopted its first Strategic Finance Plan, which has guided City actions since that time.

Implementation Action Required: Council direction.

Timing: The updated Strategic Finance Plan will be presented to Council on January 18, 2005. Implementation of the Plan will occur over several years.

Advantages:

- The Finance Plan allows the City to forecast projected needs and to develop proactive strategies to guide its financial future.

Disadvantages:

- None

Recommendation: Review, modify and adopt the 2005 Strategic Finance Plan to provide guidance to staff on future financial issues. Present and discuss the Strategic Finance Plan with the City's Budget Committee as part of the FY 2005-06 Budget process.

Council Priority/Discussion:

Funding Needs

Increased Legal Costs and Annexation Issues

Issue Summary

Definition: Annexation concerns in Tigard have created significant public comment. In particular, the residents of unincorporated Bull Mountain opposed and through the ballot box, rejected annexation to Tigard. The need to address the annexation question will not fade away. The City is shifting to a parcel-by-parcel approach to annexation, based on property owner petition, non-remonstrance agreements, and traditional annexation methods. The City will need to do a significant amount of work in planning for these annexations, and will also need to revise and update intergovernmental agreements relating to urban services. This effort will require significant legal assistance.

Tigard's legal service budget is already tight, due to day to day activities. In addition, the recent passage of Measure 37 created additional legal challenges with related costs.

Revenue Required/Revenue Potential: To adequately provide legal representation at a variety of levels, approximately \$50,000 is needed for 2005. The legal services funds could go to:

- Working with Washington County's Council to review, and if necessary, prepare revisions to urban services agreements;
- Prepare findings and assist with staff reports for annexation land use decisions;
- Defend annexation land use decisions at LUBA and the Court of Appeals;
- Review the status of consent agreements and non-remonstrance agreements as they are used by Tigard and Washington County, and prepare any necessary revisions;
- Assess the legality of existing consent and non-remonstrance agreements which apply to the unincorporated area, and determine the legality of transferring consent and non-remonstrance agreements from the County to City;
- Defend challenges to Tigard's urban service agreements with Washington County;
- Defend Tigard's position that a public facilities strategy is not warranted in unincorporated Washington County.

There are no revenues associated with this issue other than the General Fund dollars which could come after annexation of properties. These revenues would be collected well after the legal expenses are incurred.

Work Completed to date: The City Attorney worked on the annexation plan and the decisions made by Council in 2004, regarding annexation. No work has begun to address the issues noted above.

Implementation Action Required: Council needs to hold a policy discussion about annexation and the courses of action available. Based on that, a strategy can be developed.

Timing: Expenditure of funds related to annexation could begin as soon as an appeal is filed of any annexation decision.

Advantages:

- There is an advantage to a proactive approach, to update up the urban services agreement and process.

Disadvantages:

- To be in a response mode only, the City would be defending against challenges without solidifying the City's position.

Recommendation: Discuss with Council a strategy for utilizing legal resources to proactively defend our entity agreements with Washington County.

Council Priority/Discussion:

Funding Needs

Measure 37

Issue Summary

Definition: The voters of the state adopted Ballot Measure 37 in the November 2004 election. This measure added new sections to ORS Chapter 197, which provide that local governments may pay compensation to property owners for reductions in property values, or may waive restrictions as an alternative of payment resulting from land use regulations that restrict uses of the property. Some property owners may believe that existing or future land use regulations as applied to their property both restrict use of the property and reduce the fair market value of the property and consequently may bring claims under Measure 37. Ballot Measure 37 explicitly allows local governments to develop procedures for assessing claims made under Measure 37.

Revenue Required/Revenue Potential: Unknown at this point. No funding source is provided to recover costs of processing Measure 37 claims, nor are there funds identifies to pay any settlement of claims. In adopting the ordinance to implement Measure 37 claims procedures, the Council has discussed the possibility of requiring a deposit against claims processing costs which could be refundable in whole or in part.

Work Completed to date: Working in conjunction with the City Attorney's office, an ordinance has been drafted and adopted to address Measure 37 claims. The Tigard Municipal Code has been amended by repealing the existing Chapter 1.20 and replacing it with a new Chapter 1.20.

Implementation Action Required: The Tigard Municipal Code has been amended by repealing the existing Chapter 1.20 and replacing it with a new Chapter 1.20. Staff is currently developing administrative procedures to accept and process claims. Once a claim is filed, the City has 180 days to approve or deny the claim. If the claim is approved, the City may choose to compensate the property owner for lost value or may choose to waive the regulation in question.

Timing: December 2, 2004.

Advantages:

- Property owners may request compensation for reductions in property values, or may waive restrictions as an alternative to payment resulting from land use regulations that restrict uses of the property.
- Some property owners may believe that existing or future land use regulations as applied to their property both restrict use of the property and reduce the fair market value of the property and consequently may bring claims under Measure 37.

Disadvantages:

- May create additional costs for the City in processing and paying claims without providing a source of funds.
- May create land uses within zones that are inconsistent with existing regulations or land use patterns.
- Measure 37 is an unfunded mandate.

Recommendation: Monitor impacts from Measure 37 and report to State Legislature.

Council Priority/Discussion:

Funding Needs Value-Added Enhancements Issue Summary

Definition: At their planning session in October, the City Council expressed interest in taking a "value-added" approach to City services. Under this approach, the City would look for the "little bit extra" that can be done to make City services and projects better and that which help to create more livable and user-friendly community. Some value-added can be done at minimal cost simply by re-directing staff efforts. Some will require more attention and in some cases can add costs to projects and services.

The Executive Staff has brain-stormed a list of ideas, which is attached to this issue paper. Those that can be done at no cost or minimal cost will be done. Those that will require additional resources to accomplish will be discussed as part of the FY 2005-06 Budget process.

Revenue Required/Revenue Potential: To be determined.

Work Completed to date: A brain-storm list of ideas has been developed.

Implementation Action Required: Some items on the list can be implemented by staff with no further direction. Other items may require additional resources, changes in procedures, or negotiation with outside parties.

Timing: Value-added ideas can be implemented immediately.

Advantages:

- Implements a stronger customer service and community livability approach to City services.
- Improves the character and quality of the community.
- Improves citizen perception of Tigard as a place to live, work, and play.
- Addresses some long-standing citizen issues.
- May spur corresponding value-added approaches by citizens and businesses in maintenance of their own property and provision of their own services.

Disadvantages:

- In some cases, will add to the cost of City services and projects.
- May garner some citizen criticism for focusing on "nice-to-have" items rather than on "essentials."
- May increase expectations of service levels, which could lead to additional requests for service.

Recommendation: Review the attached Value-Added Brain-Storm list to identify items to be implemented immediately.

Council Priority/Discussion:

Funding Needs

Comprehensive Plan Update Issue Summary

Definition: Tigard's Comprehensive Plan was first drafted in 1982, with periodic revisions to specific chapters to maintain consistency with Statewide Planning Goals.

The Comprehensive Plan is the community's plan: it allows citizens of Tigard to make choices on how land development and redevelopment should occur, and how it will be managed. From 1982, when the Plan was first created, to 2003, Tigard's population grew from 17,700 to 44,000. In the last several years, the City has been engaged in several major planning projects, ranging from the Washington Square Regional Center Implementation Program, Transportation System Plan, natural resource and green spaces/natural resource management, Bull Mountain annexation, commuter rail/downtown redevelopment, Hwy 217 corridor planning, UGB expansion, and affordable housing. With these long term planning projects and the changes in the community, there is a need to take a look at the overall growth management approach to reflect the community's goals in a broader context.

Revenue Required/Revenue Potential: Consultant costs – as much as \$75,000 per year for up to three years. The extent of consultant use will be determined by the role staff plays in the program and the level of detail and citizen involvement directed by Council.

Work Completed to date: Between December 2002 and April 2004, the Planning Commission held five work sessions on the Comprehensive Plan Update work program. During this time, the Planning Commission reviewed the main elements of the plan update. The meetings resulted in the Planning Commission's preliminary recommendations for the Comprehensive Plan Update work program.

One of the key issues in undertaking the Comprehensive Plan update is the allocation of staff resources. The major effort that is currently underway is the Downtown Improvement Plan. The Downtown Improvement Plan must be completed by June 2005 to meet federal grant requirements.

Implementation Action Required: Council adoption of a Goal during 2005 to initiate updating the Comprehensive Plan over the next 2 – 3 years. Staff will work with consultants and citizen task forces to gather input and develop recommendations. Council will adopt a new Comprehensive plan following this process. Updating the Comprehensive Plan to address key policy issues and community involvement will take two to three years. Implementation of the updated Plan could take another year. Council will have to formally amend the Comprehensive Plan and adopt implementing ordinances.

Timing: Establish Task Force in the Spring of 2005 and initiate update to be completed by 2008.

Advantages:

- The Current Comprehensive Plan is out of date and needs to be updated.
- Changing needs of the community can be reflected in the plan update.
- The Plan update coincides with efforts by the Parks and Recreation Advisory Board and the Downtown Task Force efforts.
- Infrastructure needs could be tied to bonds and urban renewal initiatives by the Parks and Recreation Advisory Board and the Downtown Task Force.
- A Comprehensive Plan update can address Vision Task Force Goals.

Disadvantages:

- No funding source identified
- Staff resources will be limited to update. No other initiatives can be started while this project is underway.

Recommendation: Council's goal setting session is scheduled for January. The Comprehensive Plan update is an important goal that should be considered during goal setting. Goal setting could be used to begin consideration of a series of questions related to the Plan update, including the study area for the update, who should lead the update, public participation, time and resources committed to the update. These issues can be further discussed with the Planning Commission in February. The work session with the Planning Commission is tentatively scheduled for February 15, 2005. That will be the opportunity for Council and the Commission to finalize the approach for the update of the Comprehensive Plan. The purpose of this agenda item is to start the discussion on the approach and scope of the program.

Council Priority/Discussion:

Funding Needs

Library Operational Hours

Issue Summary

Definition: A basic measure of library services available to the public is the number of hours per week that a library is open. In FY 2001-02, the Tigard Library was open 69 hours per week. Since that time, funding for library operations from the Washington County Cooperative Library Service (WCCLS) has been steadily cut back. In addition, the Tigard community authorized the building of a substantially larger facility with accompanying increases in operational costs. At the time of the bond measure, there was much discussion as part of the campaign about the need to authorize a countywide local option levy to help cover the increased operating costs of the new building.

Voters have twice failed to pass a WCCLS local option property tax levy. City funding for the library has increased, but not enough to maintain the historical level of open hours. Thanks to temporary funding made available by Curtis Tigard and his late sister, Grace T. Houghton, the library has been open 54 hours per week during its first three months of operation. The 54 open hours have been maintained longer than anticipated due to savings from vacant positions, but hours will need to be reduced by the end of December. Once this temporary funding has been expended, it will either be necessary to find additional funding or to reduce library open hours below the current 54 hour level.

Revenue Required/Revenue Potential: The additional revenue required to maintain the 54 open hours for the remainder of the fiscal year would be approximately \$52,000. The revenue required over the next five fiscal years would be approximately \$105,000 per year (in 2004 dollars) more than the base budget.

Work Completed to date: A countywide levy for library operational funding was placed before the voters in November 2002 and again in May 2004. Each time the levy was unsuccessful. In addition, staff has worked very hard with WCCLS member libraries to review and modify the formula used by WCCLS to distribute funds to members. Some changes were made, but not to the full extent advocated by Tigard.

Currently, the Library Board is examining the open hours question. At the October 12, 2004 City Council meeting, the Library Board discussed with the Council the dilemma/challenges facing the library in terms of operational hours. The Library Board will meet again with Council in January 2005 to further discuss available options.

Implementation Action Required: Both short-term and long-term resolutions to open hours questions need to be explored. The long-term resolution to this issue is a stable funding source, for example, a local option levy for the City of Tigard or a local option WCCLS levy.

Timing: Temporary funding for the current 54 open hour level will shortly be expended. Without increased funding to maintain the current hours, open hours will need to be reduced in January.

Advantages:

- Increases access to programs, books, resources and other library services.
- Introduces more people to services of new library, thereby increasing library use.
- Promotes goodwill in the community.
- Provides a gathering place and destination point for residents of all ages.

Disadvantages:

- Competition with other General Fund needs
- Confusion for the public regarding the resources used to maintain open hours vs. funding used to build the new building
- The number of open hours is part of the formula used to distribute WCCLS funding. A further reduction of open hours could reduce future WCCLS funding for the City of Tigard.

Recommendation:

- Provide additional funding to the library in order to maintain 54 open hours to the public for the remainder of FY 2004-05.
- Develop additional revenue support to restore Sunday open hours in FY 2005-06.
- Develop a method to incrementally restore library open hours to the historical level of 69 hours.
- Continue to explore a future local option levy for the City of Tigard.
- Strongly support a future WCCLS levy.

Council Priority/Discussion:

Funding Needs

Enhanced Neighborhood Program/Community Assessment Program Issue Summary

Definition: The City Council has expressed an interest in expanding the Community Connector/Community Assessment Program (CAP) to create a neighborhood-based program that will give citizens and business owners opportunities to work as partners with the City to enhance the community's quality of life. The program would be designed to facilitate citizen involvement in the Community Emergency Response Team (CERT) program, Neighborhood Watch, land use and development issues, the Capital Improvement Program, neighborhood beautification, traffic and pedestrian safety and other activities.

Revenue Required/Revenue Potential: To be determined. Revenue required for this program will cover staff costs for developing and implementing the program structure and for neighborhood grants - should Council choose to authorize grant opportunities. The program activities (CERT, Neighborhood Watch, land use neighborhood meetings, etc.) are already incorporated into various department work programs and should not necessitate much in additional funds. There are no revenue sources identified for this program although the availability of grant funds will be explored.

Work Completed to date: The City Council discussed the concept at the October 19, 2004 workshop meeting and agreed that staff should work with the Committee for Citizen Involvement (CCI) to develop the concept further.

The CCI has discussed the concept at three meetings and the members are enthusiastic about moving forward. The CCI is gathering input from the community about how to define the neighborhood areas and how the program might be structured.

Implementation Action Required: The CCI will review the input from a December 7, 2004 community meeting and develop a recommendation for Council consideration in April 2005.

Timing: Moving forward in the development and implementation of the program in winter and early spring will facilitate inclusion of any program costs in the FY 2005-06 budget.

Advantages:

- Provide an organized way for citizens to get more involved in existing programs.
- Identify new ways for citizens to participate as partners with the City.
- Enhance the community quality of life.

Disadvantages:

- No stable revenue source identified for any costs that may be associated with the program.

Recommendation:

Proceed with the development of the program and recommendation to Council on an implementation plan.

Council Priority/Discussion:

Funding Needs Enhanced Training Issue Summary

Definition: Since FY1999-2000, the approximate total funds allocated citywide for the education and training of all City employees has decreased 28%. During this same time period, the total number of City of Tigard employees has increased by 5% (2.2% within the General Fund). The current funding is inadequate to provide specialized and professional development training and education of a caliber needed to maintain quality service delivery, improve efficiencies, incorporate innovation, maintain competencies, and retain high quality employees. The American Society of Training and Development reports that organizations with above average training and development budgets outperform competitors and achieve a higher total shareholder return.

Revenue Required/Revenue Potential: To be determined.

Work Completed to date: Departments prepare Training Plans annually at the same time they develop their budget requests. These plans, however, reflect the recent levels of funding rather than actual needs.

Implementation Action Required:

- Discussion by the Budget Committee during consideration of the FY 2005-06 Budget.
- Development of departmental Training Plans that reflect actual needs as well as anticipated funding levels
- Development of departmental training budgets that enhance training opportunities.
- Development of a coordinated approach to assure best use of training dollars.

Timing: This issue could be addressed as early as FY 2005 06 or at such other time as determined by the Budget Committee. During 2005, City Administration will work with all departments to formulate a philosophy of planning for, using, and reporting on the use of training dollars.

Advantages:

- Enhanced job skills and knowledge, better job performance
- Improved team and organizational performance
- Addresses retraining and retooling needs
- Improved morale
- Better trained staff reduce errors and misjudgments that can lead to litigation and dissatisfied customers
- Improved service delivery
- Increased efficiencies through better trained staff

- Ability of the City to attract higher quality candidates for employment
- Greater opportunities for internal staff to prepare for promotional opportunities
- Support of the City's Succession Planning efforts to prepare internal candidates for future leadership roles

Disadvantages:

- Positive results not sufficiently quantifiable or measurable for some
- Training viewed as "extra" or "luxury" expenditures
- Citizens are more critical of most public sector expenditure related to staffing and training.

Recommendation:

Adequate funding for staff training should be restored based on department needs, justification, and relevance of the enhanced training/education to improved services, efficiency, job performance, and professional development.

Departments should prepare training proposals aimed at creating a smarter workforce by improving job knowledge/skills and work performance, increasing service delivery and operational efficiencies, and enhancing career development where appropriate.

Council Priority/Discussion:

Funding Needs **MSTIP Needs Issue Summary**

Definition: The County Major Streets Transportation Improvement Program (MSTIP) has been highly successful since its inception. MSTIP 3 projects are almost all initiated or completed, MSTIP 3b (the interim program) is already underway, and the MSTIP Transportation Capital Program (using the permanent portion of the serial levy for MSTIP) covering the six-year period from 2007 through 2012 is in the initial stages of being developed. The transportation-related needs countywide far outstrip the funding sources available through the existing MSTIP program. A new program (most likely called MSTIP 4) will be needed to address some of the high-priority projects in both the County and the cities and continue the success of the program for the next decade. That program will have to be submitted to the voters for approval.

Revenue Required/Revenue Potential: The City of Tigard would most likely receive a proportionate share of a future MSTIP 4. The MSTIP program has traditionally looked at geographic equity as one of the goals in the distribution of funding. The program typically focuses on collectors and arterials identified in the County Transportation Plan and does not normally include state facilities. There have been exceptions, with the Hall Boulevard/99W intersection improvement project being the prime example. Based on MSTIP 3, Tigard can expect several projects within the City to be included with an aggregate amount of \$10 to \$20 million.

Work Completed to date: The Washington County Board of Commissioners has begun a public outreach effort to make known the multitude of transportation-related needs countywide. This includes major transportation projects in the cities and within the unincorporated County. The goal of this public outreach is to determine what, if anything, the residents of the County are willing to pay to implement some of these highly important projects. The Transportation Capital Program will provide from \$3 to \$5 million dollars to fund a project within the City jurisdiction. The effort to see what the voters would desire to fund beyond that should be in full swing by mid-year 2005.

Implementation Action Required: An MSTIP 4 would require a countywide vote for implementation. A ballot measure could come at any May or November election, but has the best chance for passage in a general election (November of an even numbered year) where the double majority requirement is not in effect.

Timing: An MSTIP 4 measure would most likely go before the voters in 2006 at the earliest. The next option would most likely be 2008.

Advantages:

- A new MSTIP 4 program to address major projects countywide would continue the success of the MSTIP program and allow the County and the cities in the County to move forward with significant improvements to the countywide system.
- The City of Tigard can implement some high-priority projects through this program. Projects within the City could improve intra-city circulation and provide facilities to accommodate alternate modes of transportation.

Disadvantages:

- The voters have indicated that they have limitations on what they can afford, regardless of the existing needs. The MSTIP program may face the same challenges faced by bond measures in any election year.
- Funding through MSTIP for countywide projects may contribute to the perception that the County is meeting its needs through its own resources and does not need additional help. Funding through the state or federal government may be diverted to other counties because of that perception.

Recommendation: The City should participate actively in the County's public outreach process and remain engaged through the formulation of a future MSTIP 4. The City should also be prepared to submit projects for consideration that enhance intra-city circulation and are clearly identified as having a high priority with the voters in the City.

Council Priority/Discussion:

Funding Needs

Parks & Open Space Acquisition Issue Summary

Definition: The City can issue bonds to finance Parks and Open Spaces purchases. General Obligation bonds require a citywide vote to authorize a special debt service property tax levy. The City could also issue other types of bonds, which do not require voter approval, but would have to identify a source of revenue to be pledged to annual debt service payments. The City currently does not have such a source of revenue.

In 1999, the City adopted a 10-year Park System Master Plan. This Park System Master Plan was the result of a comprehensive, collaborative effort between the citizens of Tigard, Tigard staff, and consultants. Tigard's Park System Master Plan is a comprehensive needs assessment and long range plan for meeting the community's parks and recreation needs over a ten-year period. The Plan identifies many projects totaling over \$21,000,000. The Plan examines the impacts of the community's growing demand for services, the effects of related planning efforts, the implications of demographic changes, and the contributions made by the park system in providing relief from high density urban development. Further, the Plan sets forth a Capital Improvement Program (CIP) which functions as a framework plan or tentative list of projects for a ten-year period. The CIP is reviewed and updated annually to reflect the changing needs of the community and changes in available funding for financing park capital projects. Decisions regarding the actual expenditure of funds for individual park capital projects are incorporated into the City's annual budget process.

In 2004, the City's Parks and Recreation Advisory Board (PRAB) conducted a survey to gauge public interest and willingness to financially support a range of parks and recreation issues. Currently there is support for both additional parks land, as well as additional open space acquisitions. Acquiring additional open space land ranked the most popular project in the survey with 49% of the respondents stating they would financially support it.

The current, proposed 5-year parks CIP (FY 05-06 – FY 09-10) totals \$4,235,929. Currently, there are limited funds available for non-SDC eligible projects. Also, there are times when the combination of SDC funds and grant funds do not entirely fund a project. In these cases, projects may not be able to be accomplished because of the limited non-SDC funds. Approximately \$400,000 in non-SDC eligible projects is currently unfunded unless the City appropriates General Fund revenue to these projects (Northview Park, Jack Park, Summerlake Park, Englewood Park, and Fanno Creek Park).

Revenue Required/Revenue Potential: The revenue required to accomplish the open space and greenway purchases identified for the next 5-years (FY 04-05 thru FY 08-09)

is approximately \$6.1 million. SDC generated revenue, based on recent changes to the SDC rates are anticipated to be \$7.9 million over the same five year period. The new Parks SDC methodology adopts a ratio of 41% SDC and 59% non-SDC revenue for purchase of open space and greenway properties. Thus the non-SDC component, if met by a potential bond sale, would need to be \$3.59 million to accomplish the five year plan. A general obligation bond sale of \$4 million financed over 10 years would require a property tax levy of approximately \$0.13 per \$1,000 of assessed valuation to pay annual debt service.

Work Completed to date: The PRAB has conducted the survey, and discussed implementation plans. It is anticipated that the PRAB will return to the Council with an action plan including this issue early in 2005. In addition a group a citizens has approached Council and suggested this issue be put on the ballot.

Implementation Action Required: A general obligation bond measure must be approved by Council and placed on the ballot for approval by Tigard residents.

Timing: To be determined

Advantages:

- A bond measure would provide the funds necessary to supplement SDC funds for the acquisition and development of parks and open spaces
- Easily understandable (known funding source, familiar to voters)
- A bond measure would provide the funds necessary to pay for those projects which are non-SDC eligible.

Disadvantages:

- Tigard residents have been asked to increase taxes on several occasions over the past several years. Specifically, the successful passage of the new Library Bond and the School District Bond.
- Although additional bond funds would be advantageous, the projections show limited funding for parks operations and maintenance. The City may not be able to adequately maintain new facilities.

Recommendation: Accept the recommendations of the PRAB, due in early 2005. It is anticipated that this recommendation will suggest a bond sale for land acquisition. Open space purchases can be made with minor impacts to the operating budget, whereas park development costs and subsequent additional operational costs will impact the annual budget.

Council Priority/Discussion:

Funding Needs

Public Facilities: Public Works, Records, Police Issue Summary

Definition: The City owns and operates several buildings, including City Hall, the Permit Center, the Police Department, the Library, the Niche, the Senior Center, the Public Works Administration Building and annex, and Canterbury Water facility. In addition, the City operates the Water Building, which is owned by the Tigard Water District. The City does not have a dedicated source of funding to provide for the maintenance, repair or expansion of these facilities. The City has traditionally set aside General Funds in anticipation of future building needs.

The City has recently addressed capital needs of the Library and City operations in City Hall and the Permit Center. It is prudent, however, to start building renewal and replacement reserves for these facilities. In addition, the City may have an opportunity through the remodel of the current Public Works Building after Public Works moves to the Water Building to address records and police evidence storage needs through the use of this building. Finally, there will be a need within the next five to ten years to address space and facility needs of the Police Department (last addressed in 1999.)

Revenue Required/Revenue Potential:

Projects identified to date include:

- FY05-06 Projects
 - Water Building Renovations – \$800,000
 - PD Underground Storage Tank Upgrade - \$20,000
 - Police & records Storage Remodel - \$149,425
 - Senior Center Seismic Upgrade Design - \$20,000
- FY06-07 Projects
 - Miscellaneous City Facility Projects - \$200,000
- FY 07-08 Projects
 - Miscellaneous City Facility Projects - \$200,000
 - Senior Center Remodel - \$950,000
 - Senior Center Seismic Upgrade – \$100,000
 - RFID Technology (Library) - \$750,000
- FY 08-09 Projects
 - Miscellaneous City Facility Projects - \$200,000
 - Demolition of Surplus PW Facilities - \$200,000
- FY 09-10 Projects
 - None listed at this time

In addition to identified projects, there is a need for contingency funds for needs that may arise during the planning period.

General use facilities and facilities used by General Fund departments (City Hall, Police Department, Permit Center, and Library) are generally supported by General Fund transfers to the Facility Fund. The major exception to this rule is for new construction of major facilities such as the Library. Where appropriate, the City transfers money from enterprise funds or dedicated sources (such as Water, Sanitary Sewer, Buildings) to pay for space needs of staff supporting those operations.

Work Completed to date: A seismic study of city facilities was performed in 2000 to identify the seismic upgrade needs of City facilities. A consultant is currently identifying current and future space needs for the Public Works Department. This work will result in recommending and designing needed improvements to the Water Building and assessing the need for future uses of the Ash St. sites currently used by Public Works.

Implementation Action Required: Projects will be identified and approved in the City's Capital Improvement Plan. Annual funding is provided through approval of the City Budget.

Timing: It is anticipated that the projects identified will be implemented according to the budget approval of the fiscal years indicated if necessary funding is available.

Advantages:

- Provides for greater security of facilities
- Meets the long term growth needs of the City
- Provides for a safe and effective work environment for staff and the public
- Improved use of facilities to provide better customer service
- Provides for more meeting rooms for public use

Disadvantages:

- No dedicated funding source. Capital funding need must compete with operating funding needs.
- Delaying projects would result in increased cost of projects and increased safety and or security risks

Recommendation:

- Develop a capital plan for all City facilities, including identifying renewal and replacement and upgrade needs.
- Develop policies and a plan for funding renewal and replacement needs during the annual budget process. This may include specific identification of a reserve amounts within the Facility Fund for specific City facilities.
- Present recommendations to the Budget Committee and the City Council for their review and approval.

Council Priority/Discussion:

Funding Needs

ROW (Rights-of-Way) Maintenance Needs Issue Summary

Definition: Rights-of-way (ROW) maintenance includes landscape and general maintenance activities for those areas between the pavement or sidewalk areas (where they exist) and the street rights-of-way line. Current City ordinances place the responsibility for this maintenance on the adjacent property owner. The City Council has been approached by several property owners over the last few years requesting that the city adopt maintenance responsibility for certain rights-of-way. This is typically on arterials or collectors where the homes have frontage on an interior street system, but back up to a major street with a wall blocking access to the strip of land needing maintenance. Durham Road is a prime example of this dilemma. The discussion is currently focused on the City assuming responsibility of ROW maintenance on such arterials and collectors.

Revenue Required/Revenue Potential: Depending on the level of service adopted, costs could range from \$25,000 to \$450,000 annually.

Work Completed to date: The City Council has directed staff to provide a proposal to enhance the current level of service in the FY 05-06 budget process. The Transportation Financing Strategies Task Force has the added mission of evaluating potential new funding sources that could be established to provide a stable source of funding for ROW Maintenance. The Task Force will be meeting with City Council in early 2005 to receive direction in this regard.

Implementation Action Required: Action on this item will be through the annual budget adoption process. The establishment of new funding sources for this effort would greatly enhance its adoption into the City's annual budget.

Timing: Initial action on this item will be during the FY 05-06 budget adoption process.

Advantages:

- Beautify the city and entry points;
- Removes unsightly areas;
- Property owners would be happy.

Disadvantages:

- Cost: spends already limited maintenance dollars on an aesthetic issue;
- Potential for conflict – some property owners fulfilling their responsibility and others not.

Recommendation: Council should continue to study this issue through the FY 05-06 budget adoption process.

Council Priority/Discussion:

Funding Needs Water Supply Source Issue Summary

Definition: Tigard's Vision document and Council Goals both identify securing a long term water supply as an essential objective of the City. In the 2004 Vision update process, this goal has been refined to include two additional directions, one being to accomplish this goal by 2007 and secondly, to secure an equity position in a source.

Tigard is currently participating in three efforts to secure its long term water supply: securing a new long term contract to purchase water from the City of Portland, joining the Joint Water Commission (JWC) and expanding the Scoggins Dam / Henry Hagg Lake complex, and continued study of the Willamette Treatment plant.

The Portland option, which would be a long term water sales contract, will not satisfy the Vision goal of obtaining an equity position in a water supply. The City of Portland is only interested in a long term water sales agreement, not in sharing equity in the source. A draft contract will be available for review in early 2005. This alternative will not provide substantial savings to water costs for Tigard citizens.

The JWC proposal hinges on the ability to secure permits and approvals to modify Scoggins Dam. The JWC proposal would cost the City of Tigard between \$91 and \$93 million dollars over the next 40 years.

The Willamette option includes continued monitoring of the technical performance of the treatment plant located in Wilsonville. In addition, this option will include the decision to request voter approval to pursue this source. Current economic analysis continues to suggest that the Willamette option is the least costly alternative for the citizens of Tigard.

Only two of these projects are consistent with and addressed specifically in the City's visioning documents.

Revenue Required/Revenue Potential: Tigard could be faced with making financial commitments with costs that best current estimates average to be approximately \$80 to \$90 million dollars over the next 20 to 40 years. To help put these numbers in perspective, a \$5 dollar per month increase in each monthly water bill in the Tigard Water Service area would raise approximately \$1 million dollars annually.

Work Completed to date: Staff has been involved in a joint contract negotiation effort with Portland and eight other wholesale customers over the last year. This contract will be available for public review early in 2005.

In 2004, the City of Tigard has also become a member of the Joint Water Commission, which will provide the City with the ability to pursue equity ownership in future capacity improvement projects the JWC undertakes.

Staff continues to monitor the performance of the Willamette treatment plant, as well as participate in the efforts of the Willamette River Water Coalition, (WRWC), an organization to which Tigard belongs. The WRWC is currently undertaking a public education project targeting member populations about current information relating to water quality issues affecting the Willamette.

Implementation Action Required: The Intergovernmental Water Board will initially produce a recommendation to the City Council. Following that, the City Council will need to indicate its approval. If the City elects to sign a long term supply contract with Portland, the cost of this decision will be borne completely by water rate payers. If the City decides to pursue the JWC or Willamette options, a substantial portion of the capital costs can be assigned to SDC revenues. This will allow for lower water bills. In both of these scenarios, capital costs would be financed by revenue bonds. Council would approve issuance of the Water Revenue Bonds by resolution.

Timing: The City will be able to begin the review of the potential Portland contract early in 2005. The City's current contract with Portland expires in 2007. Neighboring cities and water districts are also discussing the possibility of a vote on the Willamette issue. This vote could happen as soon as November, 2005. Decisions to commit major capital in the JWC will need to be made in 2006.

Advantages: The advantages of securing a permanent supply source are many: control, financial stability, adequate future supply, and quality control top the list.

Disadvantages: Cost. Because the Tigard Water Service Area is so late in securing its source the costs are high, and Tigard will not have the benefit of time to spread costs over a long period.

Recommendation: Staff should continue to update Council on options and costs, with a future recommendation to authorize issuance of one or more water revenue bond to purchase some portion of future supply as options finalize.

Council Priority/Discussion:

Funding Needs

Centralizing City Information Issue Summary

Definition: The City, like many organizations, maintains a variety of computer systems that rely on a variety of databases. The primary computer systems are Hanson (public works information and data), Tidemark (planning and engineering information and data), and Springbrook (finance and utility billing information and data). In addition to the "big three" systems, the City also has a variety of smaller systems such as FullCourt (municipal court information and data) and in-house databases. Most, if not all, of these systems require overlapping data and yet they do not talk to one another and data cannot be shared or easily transferred.

Organizations have discovered that organization-wide single-provider systems, systems that can access unified databases, or systems that can share separate databases provide greater organizational efficiency, reduce duplication of data and effort, and increase data accuracy. All of these benefits also reduce costs or limit future cost increases.

The City has been considering different options for improved management of its databases and computer systems. At this time, the City is considering retaining existing computer systems, but modifying and standardizing aspects of those systems to facilitate sharing of information. The first phase of this project would require hiring a consulting team to interview staff, analyze the current system, analyze future information needs of the City, and develop an implementation plan and cost for the project.

Revenue Required/Revenue Potential: Full implementation of a sharing protocol could cost as much as \$500,000 to \$1,000,000.

Work Completed to date: The City has discussed this project internally and with the City's Budget Committee in FY 2004-05. The City has also been making annual contributions to a Computer Systems reserve in the Central Services Fund since 2000. By the end of FY 2004-05 (assuming no budgetary transfers) this reserve will hold \$900,000.

Implementation Action Required: Hire a consultant to begin phase one of this project to define City needs and options and to develop final recommendations for improved database management.

Timing: The planning phase should start in FY 2005-06. It would be a three to four year project. Funding will be the major factor on the timing of completing this project.

Advantages:

- One centralized and standardized location of city information for unified access by staff and citizens.
- All current city system would stay in place and continue to serve each department as it has in the past.
- Any new system would easily integrate into the centralized collection point.
- Having information in one location would enable staff and citizens to combine and analyze all information in an easy to use format.

Disadvantages:

- Implementation cost would be high, but once implemented on-going cost would be minimal.

Recommendation: Fund money for the first phase of this project.

Council Priority/Discussion:

Funding Needs

Economic Development Issue Summary

Definition: The economy in Oregon has been a major focus of concern over the last few years. Several cities in the Portland Metropolitan area have economic development programs, and some of those cities have had notable successes in attracting businesses.

The City's Visioning program has identified the need for an economic development program. The Downtown Task Force has also targeted economic development as being essential to the success of the downtown.

Economic development programs in cities can take a variety of forms. A common form is urban renewal. This report contains a separate issue paper on urban renewal. Other forms of economic development activity include economic improvement districts, business recruiting, business assistance, tax abatements, and various other incentive programs.

The City of Tigard is currently researching possible use of urban renewal in the downtown area and/or Washington Square. Washington County is considering formation of an urban renewal district along the commuter rail line.

Three years ago, Tigard and downtown business interests attempted to form an Economic Improvement District/Business Improvement District in the downtown area. That effort failed due to insufficient support by downtown property owners.

Revenue Required/Revenue Potential: Unknown. Until a specific economic development program is identified it is not possible to determine potential costs or funding sources.

Work Completed to Date: The City has joined the Regional Partners for Economic Development and the Westside Economic Alliance. The Visioning Task Force has identified the need for establishing an economic development program as part of its 2004 update. The Downtown Task Force has identified the need for an economic development program for the downtown. Council has received updates from the regional Partners for Economic Development.

Implementation Action Required: Council discussion and direction on the preferred form of an economic development program.

Timing: To be determined.

Advantages:

- Improved business climate in Tigard.
- Greater employment opportunities in Tigard.
- Increased business development which adds to the City's assessed valuation and property tax revenues.
- To the extent that economic development brings new businesses to Tigard, this may create opportunities to address redevelopment and infrastructure needs in specific areas.

Disadvantages:

- Economic development growth, if not handled properly, could lead to increased population growth that worsens congestion and aggravates citizens' concerns over density and traffic.

Recommendation:

- Schedule a discussion at a Council workshop to discuss the pros and cons of economic development programs and the form(s) of efforts that work best for Tigard.
- Work with business and commercial/industrial property owners in the City to assess the level of interest in and support for a City economic development program.

Council Priority/Discussion:

Funding Needs Urban Growth Boundary Issue Summary

Definition: Metro expanded the Urban Growth Boundary west of Tigard by adding planning areas 63 & 64. Since these two areas are adjacent to Tigard's Urban Services area on Bull Mountain, Tigard has been identified as being the logical provider of urban services for these two areas.

Prior to completing the Urban Growth Boundary expansion to bring these two areas inside the boundary, it is necessary to develop concept plans for the two areas. Concept plans must address the statewide planning goals and guidelines as well as Metro's Functional Plan criteria. The concept plans could be developed by Washington County because these areas lie within the unincorporated area, or they could be developed by Tigard as the logical provider of urban services.

Concept planning is a time-consuming and expensive process. Regardless of which jurisdiction is determined to develop the plans, a major issue will be how to pay the costs of the plan development. Costs could either be paid out of general revenues of the jurisdiction, fees could be developed and charged to land-owners and developers, or a reimbursement district in some form could be developed to assess property owners. It is not yet known how long it would take to develop the concept plans.

Revenue Required/Revenue Potential: \$250,000 – \$400,000

Work Completed to Date: Council has discussed preliminary approach to addressing planning and urbanization needs.

Implementation Action Required: The City and the County need to meet to determine which jurisdiction will be responsible for development of the concept plans. Once that is determined, the City and County will need to develop an Intergovernmental Agreement to guide the development of the plans. Ultimately, the City and County will need to amend the Urban Services Agreement between the City and the County to formally designate Tigard as the ultimate service provider for these areas. Once the responsibility for the development of the concept plan is assigned, the two jurisdictions will need to agree on a way to pay the costs of plan development. If a fee-based approach is chosen, Washington County will need to adopt the fee because the area is outside the City limits.

Timing: To be determined. If the City is designated as the lead planning agency it will be necessary to determine the best project approach. The City is planning to update its Comprehensive Plan. If this update were to include an update of the Comprehensive

Plan for Bull Mountain, it would be most effective to include the development of these concept plans into the larger project. It is not yet known, however, whether the City's Comprehensive Plan update project will include unincorporated Bull Mountain.

Advantages:

- The City is the logical long term service provider to these areas.
- The City would be able to shape the future growth of these areas in a manner that serves not only the planning areas but the larger community as well.
- Effort could be cost-neutral if the proper funding mechanism is chosen.

Disadvantages:

- Will require extensive staff resources to complete.
- Annexation will ultimately be required to serve the area.
- Could lead to illogical City limits boundary until remainder of Bull Mountain annexed.

Recommendation: Initiate discussions with the Washington County Board of Commissioners on the best approach to address the future urbanization of these two areas.

Council Priority/Discussion:

Funding Needs **New Police Facility Issue Summary**

Definition: If growth in Police staffing trends continues over the next several years, the City will have a need to build a new or expanded Police facility.

The current Police facility was expanded in 1999, adding 3,000 square feet of space. At that time, the expanded facility was projected to be sufficient for police Department needs until 2007 to 2009. Since FY 1999-00, the City has added four positions to the Police Department. The Department recently moved its traffic unit and community service officers into one of the modular buildings behind City Hall to create more work space within its main offices. In addition, the department rents three off-site storage units for records and evidence storage.

In the current financial forecast, the department is projecting the need for 18 to 24 new positions by 2010. The Department currently has 76 authorized positions. If projections are accurate, by 2010, the department will have 94 to 100 authorized positions.

The City is also developing a Downtown Plan at this time. This Plan will lay out a vision for the redevelopment of the downtown area of Tigard. This Plan may create an opportunity to explore the creation of a joint Police/Fire facility within the civic center portion of the redevelopment area. Such a combined facility would not only create a substantial public investment within the redevelopment area, but it could also provide the opportunity for greater cooperation and coordination between police and fire operations.

If a new facility is built, police would vacate the space they currently occupy. It is not yet clear what uses might be made of this facility, though it is possible that the City will develop needs for additional office space in the future.

Revenue Required/Revenue Potential: The cost of a new facility cannot be determined until the facility and possible location have been identified. Initial space planning could cost as much as \$150,000 and would have to be paid out of the City's General Fund.

Construction of a new facility would most likely be paid for by a General Obligation Bond authorized by voters. It might also be possible to use tax increment funding if an urban renewal area is created in the downtown area, but funding from this source would be limited in the early years of an urban renewal district.

Work Completed to date: None on a new police facility.

The Downtown Plan is currently being developed.

Implementation Action Required: Funds for a space and facility plan will need to be provided to develop a proposal that identifies costs and design. If the City chooses to seek General Obligation Bond approval from voters, Council would need to refer a measure for an election. Such a measure would be subject to the double-majority provisions of the Oregon Constitution. It may only be voted on at one of the following elections:

1. May, subject to double-majority requirement
2. November of an odd-numbered year, subject to double majority requirement
3. November of even numbered year, subject to simple majority.

Timing: The department projects the need for a new facility soon after 2008.

Advantages:

- Provision of adequate work space for public safety personnel.
- Reduction of funds currently spent on rental space.
- Possible enhanced coordination between police and fire operations.
- Potential contribution to Downtown redevelopment efforts.

Disadvantages:

- Cost.
- Need to ask voters for additional property tax revenues to support bonds.
- Need to develop alternative use for existing police facility.

Recommendation: Council should discuss this issue during consideration of the Five Year Capital Improvement Plan (CIP) and the FY 2005-06 budget process. If there is interest in proceeding, staff should be directed to develop a more complete timeline, including a recommendation for start of a space and facility plan.

Council Priority/Discussion:

Funding Needs Records Program Issue Summary

Definition: The City's records management program supports City departments, compliance with public records law, and the Vision Task Force communication goal by providing easy and efficient access to city records.

Public records include all print, electronic (including e-mail), audio (including voice mail), and video records. Under Oregon Law and Administrative Rules, all records are assigned retention periods. These periods range from zero time to permanent. Records staff work with departments to ensure that they comply with Public Records laws, gather records for long-term storage, retrieve records from storage as needed, microfilm permanent records, and destroy records that have passed their assigned retention period. City records are stored at the Water Department's Canterbury Yard and rented storage space. The City pays \$28,260 per year for rented storage space for general City and Police records.

In addition to managing public records, Records Program staff also responds to requests from the public for City records. Often these requests include potential litigation. It is crucial that these requests be handled promptly and professionally.

Finally, Records staff also engages a number of special projects throughout the year. Most importantly, Records staff needs to work with other City staff to train them on Public Records requirements and compliance with law and proper treatment of public records. Handling of electronic records in particular requires ongoing attention and training, due in part to the transitory nature of the media. Another special project that is currently underway is the building of a Measure 37 database of land use-related ordinances and resolutions from the incorporation of the City in 1961, and scanning these documents into a PDF format so that they are easily retrievable by staff and the public. This database will contain over 1,000 ordinances and resolutions.

As City budgets have tightened over the past several years, Records program staffing has been reduced. The City Records Program is now operating at a minimal level.

The City is rapidly approaching the point at which it will need to address storage needs because available space is filling up. Options include rental of additional storage space, conversion of an existing City building into a Records Center, and implementation of new records technology, such as optical scanning.

Revenue Required/Revenue Potential: The additional costs associated with the records program include:

- Renovating the Public Works building for storage, approximately \$150,000. (This estimate is based on the square footage costs of the remodeling of City Hall. Actual costs could be higher if structural strengthening of the building is required, which is likely),
- Adding .5 FTE, \$26,650, and
- Software upgrades \$10,500.

Work Completed to date: The building renovation and software upgrades have been included in the financial forecast. Additional consideration is being given to the timing of adding a .5 FTE to assist in the records program.

Implementation Action Required: Approval of the building renovation and software upgrades through the budget process.

Timing: Any items approved in the budget will be acted on after July 2005.

- The building renovation priority and timing will be determined by the CIP process.
- The Clerk's Index software installation could take place in the first quarter of the 2005-06 fiscal year. The upgrade to ImageFlow would be in 2008-09 fiscal year.

Advantages:

- By remodeling the Public Works operations facility, Police and City records will be able to store records and evidence in one location consequently reducing overall operating costs and working more efficiently.
- The electronic document management system will increase the ease of searching for records and reduce retrieval times. The system is accessible for managing scanned images and electronic documents.
- The .5 FTE will be assigned project work. Types of projects include: updating training on e-mail, computer use, and records policy; creating a catalog for the contents of financial reports; coordinating storage and cataloging of City photographs; and update the City's records manual.
- Reduction of legal exposure resulting from the loss or unavailability of City records or the retention of Records beyond their expiration date.

Disadvantages:

- Limited availability of funding.

Recommendation:

- Approve capital funds for renovating the current Public Works operation's building to accommodate storage of City records and Police evidence in FY 2005-06.
- Add staffing as funding allows.
- Purchase Clerk's Index electronic document management system software module in FY 2005-06.
- Purchase Clerk's Index Image Flow upgrade in FY 2008-09.

Council Priority/Discussion:

Funding Needs Recreation Programs Issue Summary

Definition: The City's Vision Document "Tigard Beyond Tomorrow", the Park and Recreation Advisory Board (PRAB), and the recently conducted Parks and Recreation Needs Assessment Survey results continue to stress the need for the City to provide recreation programs in Tigard. Provider options considered ranged from joining the Tualatin Hills Park and Recreation District, creating a city Recreation Division, or creating a new local park and recreation district to serve Tigard.

The survey revealed that 57% of respondents favored creating a Recreation Division, and when asked a follow up question 48% were willing to pay for it. In addition, 52% of the respondents were willing to pay for the construction of a Community Recreation Center to provide additional recreational opportunities such as children's programs, classes, summer playground program, camps, special events, middle school programs, teen programs, performing arts, and adult programs such as sports leagues and classes.

The PRAB's top priority is the creation of a City Recreation Division to offer recreation programs, and the construction of a Community Recreation Center.

Revenue Required/Revenue Potential: Ultimately, an in-house program provided by the City of Tigard could cost upwards of \$860,000 for personnel, materials and supplies, and capital outlay. The City could move towards a full program by adding services over time. Initial offerings may be eligible for grant funding.

A Community Recreation Center could cost up to \$6.75 million. Operating costs for a Center are unknown until a facility is designed.

Work Completed to date: The PRAB has conducted a survey to assess the public's willingness to provide financial support for the provision of recreation programs. Approximately 57% of respondents favored the creation of a City Recreation Division, with 48% of the respondents further stating they were willing to pay for it. As an interim step Staff will propose granting small recreation grants in the upcoming FY 05-06 budget.

Implementation Action Required: Council direction and Budget appropriation. Funding could come from the General Fund, the Council could place a measure before the voters to approve a local tax levy, or Council could place the establishment of a park and recreation district before voters. A bond measure would be necessary to construct a \$6.75 million Community Recreation Center.

Timing: Timing is dependent upon Council direction and available funding.

Advantages:

- Delivery of a service being requested by the public and the PRAB.
- More activities for local youth.
- Greater community focus and identity.

Disadvantages:

- Additional cost to the General Fund.

Recommendation: Approve the concept of funding limited recreational grants as an interim step and await the upcoming Park and Recreation Advisory Board's future recommendation on the provision of recreation programs in the City of Tigard.

Council Priority/Discussion:

Funding Needs

Senior Center CDBG Grant Match

Issue Summary

Definition: The Tigard Senior Center Building is owned by the City with the senior services (meals, classes, programs and activities) being provided by contract with Loaves and Fishes. The building was originally built with CDBG monies and upgraded once again through CDBG monies. The City provides ongoing building maintenance services, however, there is no dedicated funding source to enlarge the building and update the kitchen equipment to meet the growing service demands of today as well as the coming of age of the baby boomer population. Tigard currently has the highest population of 60+ and 75+ seniors of any area in the County. Nationwide we see a trend of life expectancy increasing from the average of 77 years of age in 2000 to 82 as the average age in 2050. Tigard's population of 65 and older is over 10% today with the baby boomers making up another 22% of our population base. The need to expand and upgrade the building is here today and will grow exponentially in the next ten years.

Revenue Required/Revenue Potential: Based on the encouragement of City Council in November 2003 to prepare the building for the current and coming needs of the aging population in Tigard, Loaves and Fishes and the City approached the Community Development Block Grant program and applied for a \$450,000 grant in 2004. This grant application was accepted and the City and Loaves and Fishes have five years to prepare the project plans and drawings and present these to CDBG for final approval. The CDBG funding program requires a full match from the jurisdiction obtaining the grant; thus the City with assistance from Loaves and Fishes must provide \$450,000 in cash and in-kind services as a match. In addition, operating costs (electrical, gas, water, etc.) will increase, causing the need for a larger contribution of City resources.

Work Completed to date: The City has successfully applied for CDBG funding and the project must be completed within the next five years (no later than FY 2008-09) or the grant approval will lapse. Loaves and Fishes have met with their Site Committee, an architect and the local Senior Center staff to begin providing general parameters for the project. The first priority for the expansion is to provide meals and address social isolation for the community's seniors, both at the Center and in the home. The second priority is to continue the significant multi-cultural outreach to seniors and their families to create a sense of community and to teach English as a Second Language to enhance the quality of life for Tigard's growing multi-cultural population.

Implementation Action Required: The City staff and Loaves and Fishes will:

- Finalize space and equipment needs for the Senior Center;
- Provide effective dialog opportunities with the community to garner input on the project priorities and outcomes;

- Develop project construction plans and specs that are adequate for both the City and Loaves and Fishes needs;
- Obtain City Council approval to submit the project plans to CDBG for funding;
- Obtain City Council approval for budget funding of the grant match; and
- Build the project.

Timing: The CDBG grant must be applied for and the construction completed within the next five years. The plan is to apply for the final grant approval for the 07-08 fiscal year.

Advantages:

- Provides larger and updated meal and program space for Tigard's senior and multi-cultural services.
- Maintains services which can be provided at the existing facility while the targeted population continues to grow.
- Provides meal processing which will remain safe and sanitary as the size of the service increases.

Disadvantages:

- Delayed expansion will reduce the services provided to seniors and multi-cultural outreach in our community at a time when both of these populations are growing in Tigard.
- No dedicated fund source.

Recommendation: In order to provide services to meet the growing aging population needs, providing a match for CDBG funding appears to be the best option available with the City's funds being matched.

Council Priority/Discussion:

Funding Needs

Solid Waste Management/Recycling/Code Enforcement Issue Summary

Definition: The City's Vision Task Force recently updated a goal in the area of growth and growth management. The updated goal states that "growth will be managed to protect the character and livability of established areas, protect the natural environment and provide open space throughout the community."

Solid waste management plays a critical role in not only maintaining the livability of City neighborhoods but protecting the natural environment as well. Making sure that our neighborhoods are free from debris and garbage generated from households and businesses is a very important part of this. In addition, increasing the recycling of materials from the waste stream is and will continue to be a critical part of protecting our natural environment and reaching this region's goal of 62% waste recovery by 2005.

The level of effort that is currently possible is limited because of lack of resources and staffing. An expanded effort that would include greater visibility, program development, expanded efforts in local public education, and pilot projects that could enhance solid waste management and recycling throughout the City.

The Solid Waste and Recycling program is currently the responsibility of the City's Financial Operations Manager who also has responsibility for the management of utility billing, payroll, general ledger, purchasing, budgeting, and financial forecasting. The City has a Code Enforcement Officer, but her time is committed to responding to citizen complaints and land use type of code enforcement issues and she does not currently deal with solid waste issues.

Revenue Required/Revenue Potential: The franchise fee on solid waste is currently at 3% of gross revenues. This generates approximately \$234,000 to the City's General Fund or \$78,000 for every 1%. Many of the surrounding jurisdictions have a higher franchise fee assessed on solid waste and, in some cases, those additional revenues are dedicated to sustaining livability and solid waste management in their community. The City of Beaverton is an example where this has happened. An increase in the franchise fee to 5% would produce an additional \$156,000 per year.

Work Completed to date: None

Implementation Action Required: Identification of additional resources needed to address solid waste enforcement needs, solid waste management and recycling needs and revise solid waste collection and disposal fees, if necessary, as part of the rate review process. Also, work with the two City franchised haulers on gaining their support for this effort.

Timing: Spring – Summer 2005

Advantages:

- Enhanced neighborhood livability and code enforcement.
- Improved recycling in Tigard.
- Better management and stewardship of the area's natural environment.

Disadvantages:

- Raising the franchise fee could increase the amount charged by local haulers for the collection and disposal of solid waste.

Recommendation: Consider increasing the franchise fee on solid waste with the increased revenue being dedicated to solid waste management, including recycling and code enforcement. Begin working with the City's two solid waste haulers for support and concurrence with this expanded program.

Council Priority/Discussion:

Funding Needs **Youth Programs** **Issue Summary**

Definition: Youth Forum - This group of adults representing the City, Tigard-Tualatin School District, Youth Service/Program providers, businesses, the faith community and Youth Advisory Council has been meeting since February 2004 to facilitate expanding programs and activities for youth in the community.

Youth Advisory Council: This group of middle and high school students has been meeting bi-monthly since June 2003. Their mission is to “empower, involve and connect the lives of Tigard’s youth.” The City program is based on the Search Institute Assets concept. The Search Institute is an organization based in Minnesota which has developed a list of 40 assets necessary to the success of youth. In support of the Search Institutes Assets, the Youth Council plans and coordinates a wide range of activities and events to involve Tigard’s youth. In addition, they are charged with providing support to other youth activities such as the Skate Park Task Force, and serving as a communication connection for the youth in the community.

Revenue Required/Revenue Potential: Currently a few hours of staff time each month is required for the Youth Forum to support the monthly meetings. Some staff support is also required to support the Youth Advisory Council meetings and chaperone activities/events. Staff time is currently incorporated into work assignments.

The Federal Drug Free Communities Program offers a grant - \$100,000 each year for 5 years – to support youth activities and programs that provide positive alternatives to drug and alcohol use. Tigard-Tualatin School District and City staff are working with the Youth Forum to apply for the grant in March 2005. If successful, the funds could be used in part to support the Youth Forum and Youth Advisory Council activities.

Work Completed to date: Tigard Turns the Tide is an existing 501c3 non-profit that exists primarily to sponsor the Alcohol Free Grad Night Party. The Youth Forum group has been working with the Tigard Turns the Tide Board members to revise their bylaws to reflect a community partnership whose purpose would expand to provide positive programs and activities for youth.

Implementation Action Required: Once the Tigard Turns the Tide Bylaws are completed (scheduled for December), the Youth Forum and Tigard Turns the Tide groups will merge into one non-profit entity called Tigard Turns the Tide. That group will submit the request in March for the Drug Free Communities Grant.

Timing: If the grant request is awarded, funds will be available for the 2005-06 fiscal year.

Advantages:

- New source of funds for youth programs
- Multi-year funding

Disadvantages:

- Short term. Only for five years although under the current program application could be made for the next 5 year cycle.

Recommendation:

Submit the request of the Drug Free Community Grant in March 2005.

Council Priority/Discussion:

Funding Needs

Employee Benefits (Insurance)

Issue Summary

Definition: Over the last few years, no issue has polarized employers and employees more than health care. The City of Tigard has gone to arbitration twice in three years over the issues of health insurance. Rising costs have necessitated that the City require workers to shoulder an ever-escalating portion of the costs, as have most other agencies and businesses. A Kaiser Family Foundation survey shows that monthly premiums for employer-sponsored health insurance rose 13.9% over a recent twelve month period – the third consecutive year of double digit increases and the highest premium spike since 1990. The City is committed to offering high quality health care, and has also implemented plan changes, increased deductibles and co-payments, and offered health screenings to address issues. It is a problem that isn't going to disappear anytime soon, and the City needs to adequately fund health insurance while at the same time continue to explore cost efficiencies.

Revenue Required/Revenue Potential: The City experienced a 16% increase this last plan year to its Blue Cross Blue Shield coverage and a 11% increase for Kaiser insurance. It is anticipated that double digit increases are here to stay for the long term, and the next plan year may see national trends of 20-23% adjustments. Budgeting should take this into account.

Work Completed to date: The City has worked extensively with its Health Plan Committee to review and assess options relative to health insurance for its workers. Human Resources has brought in experts in the health insurance field for consultation, worked with regional human resource representatives, and expended a growing amount of staff time and resources with the City's insurance representatives (CCIS) to insure that the most cost effective options are utilized.

Implementation Action Required: Impact or interest based bargaining will be necessary in some cases with existing labor units depending on next plan year increases, and Council action will be needed to set the terms for non-represented personnel.

Timing: New rates for the City of Tigard for the plan year starting August 2005 will not be known until April/May of 2005. If rates exceed re-opener clauses in existing labor contracts, negotiations will begin at that time.

Advantages:

- Adequate funding for health insurance will enable the City to maintain a competitive, equitable position as it relates to health benefits in 2005-2006
- Better opportunities to attract and retain staff
- More positive level of morale
- Competitiveness with other public sector employers
- Funding meets requirements of labor contracts as specified by contribution agreements.

Disadvantages:

- If there is inadequate funding and premiums become too high for workers to bear, some employees may drop out of insurance coverage altogether. When healthy employees drop out, the resulting adverse selection (leaving employees with greater health issues) brings even higher premiums. Employees without health insurance can face financial ruin, resulting in even more sicker employees working for the City.
- Inadequate funding will bring additional labor strife, decreased morale
- Workers will feel a greater pinch in their pocketbooks
- Tigard may fall behind in comparability to other regional public sector organizations in terms of contributions and benefits
- Recruitment and retention may be negatively effected
- Potential violations of previously agreed upon insurance contribution rates in collective bargaining agreements.

Recommendation: The City should continue to explore options to control health care costs while continuing to provide adequate levels of insurance for employees.

Council Priority/Discussion:

Revenue Options

Clean Water Services Split of Sanitary and Stormwater Revenues

Issue Summary

Definition: Under an Intergovernmental Agreement (IGA) with Clean Water Services (CWS), not only are specific service provider responsibilities outlined with regard to the maintenance and operation of the sanitary and stormwater systems, but the process for establishing service rates as well as connection fees are also outlined. Revenues are shared between CWS and cities based on formulas. Tigard sanitary revenues are deposited in the Sanitary Sewer Fund, which has a very healthy fund balance. Storm sewer revenues are placed in the Storm Sewer Fund which has a much smaller fund balance.

Rates for both sanitary and stormwater are established by resolution each year by the Board of Directors of CWS (the Washington County Commission). At that time, CWS also certifies what portion of the service rates and/or connection fees are retained by the cities which participate in the IGAs. A few years ago, CWS obtained authority to establish a revenue bond component of the revenue apportionment between the cities and CWS. CWS has established a revenue bond debt service component of the rate. This has, in effect, reduced the cities' portion of total service charges.

In addition to the changes to the revenue split resulting from debt service rate component, CWS has begun discussions with participating cities on changing the basic methodology for apportioning revenues between CWS and the cities. Initial discussions have steered towards establishing a cost-based method of revenue apportionment. In other words, revenues would be split based upon size of systems maintained and serviced by each individual city versus a set percentage split of revenues.

Revenue Required/Revenue Potential: Unknown at this time. The City could possibly see reduced sanitary and stormwater revenues it retains.

Work Completed to date: CWS has established a review committee made up of finance staff from the cities and CWS staff.

Implementation Action Required: Staff will brief Council as the direction of the review becomes clear. Ultimately, any changes to the IGA will require approval of both the CWS Board of Directors and the City Council.

Timing: Discussions will continue over the next year or two.

Advantages:

- A revised cost-sharing formula could relate more directly to services provided.

Disadvantages:

- Tigard may lose revenues to the Sanitary Sewer and Storm Sewer Funds.

Recommendation:

- The City needs to maintain an active presence in all CWS discussions regarding any proposed changes in methodology of revenue apportionment.
- Staff should periodically brief Council on the status of rate sharing directions.
- Public Works and Engineering staff should review sanitary sewer plans to determine if projected fund balances are sufficient to meet anticipated needs or if excess revenues are anticipated.

Council Priority/Discussion:

Revenue Options

Tigard Local Option Property Tax Levy Issue Summary

Definition: A Local Option Property Tax Levy is allowed under the Oregon Constitution (Measure 50) to increase the local property tax rate to pay for needed services. It cannot exceed a period longer than 5 years, after which, it must be re-approved by voters. It can be used for any purpose (i.e. General Fund support) or it can be dedicated to specific services (i.e. Library, Parks, Police, etc.)

Revenue Required/Revenue Potential: It is not yet known how much the City would require from a Local Option Property Tax Levy. That is dependent upon what combination (if any) of additional revenues or cuts in expenditures the Council wishes to pursue. A tax rate of 26¢/\$1,000 of assessed valuation will raise just over \$1,000,000 per year.

Work Completed to date: No work on a Local Option Property Tax Levy has been done to date. Departments have preliminarily forecasted funding needs for the five-year period from 2005 to 2010, but those forecasts have not yet been finalized nor reviewed by the Budget Committee.

Implementation Action Required: A Local Option Property Tax Levy must be approved by Council and placed on the ballot for approval by Tigard voters. It may only be voted on at one of the following elections:

4. May, subject to double-majority requirement
5. November of an odd-numbered year, subject to double majority requirement
6. November of even numbered year, subject to simple majority.

Timing: If a Local Option Levy is approved by voters in May 2006, the first revenues would be received by the City in November 2006. If the Levy is approved by voters in November 2006, the first revenues would be received by the City in November 2007.

Advantages:

- Broad based revenue source
- Easily understandable (traditional funding source, familiar to voters)
- Stable
- If approved as a rate per \$1,000, it will grow with growth in assessed values
- Well-established collection mechanism in place

Disadvantages:

- Short term solution – it expires after 5 years, and then must be renewed by voters.

- Oregon voters have been limiting property taxes for the last 15 years. Tigard voters may not choose to increase their property taxes.
- Competition on the ballot from other jurisdictions requesting voters to approve funding measures.
- Competition and confusion with WCCLS measure likely to be on the ballot in 2006.
- Most property tax measures on the ballot in November 2004 were not approved by voters – including the county public safety levy.

Recommendation: Continue to research and explore options with the goal of placing this issue before voters.

Council Priority/Discussion:

Revenue Options Long Range Planning Fees Issue Summary

Definition: In July 2003, Council discussed the potential of instituting an application fee that would support long range planning activities. The City lacks resources to entirely fund this sort of project within the time frame the community expects. The fee would help offset the cost of completing specialized planning studies or projects.

Long range planning studies vary in the amount of complexity and costs associated with any particular study or project. Where staff expertise exists and scheduling allows, City staff is assigned to complete particular projects. Other studies and projects require additional resources due to the complexity or intensity of the project or study.

Revenue Required/Revenue Potential: At its May 18, 2004 Council worksession, Council directed staff to proceed with developing a long range planning fee that would be in addition to existing planning fees. Basically, a "surcharge" would be paid at the time of submittal of specific land use applications.

The proposed long range planning fee is anticipated to generate approximately \$40,000 per year. Given the fact that the fees are based on permit activity, the actual revenue would fluctuate from year to year. The goal is to have the resources to complete such long range planning projects as the City determines are necessary through the budgetary process.

Work Completed to date: Council is scheduled to take action on the proposed fee increase on December 14, 2004

Implementation Action Required: Council approval.

Timing: December 2004.

Advantages:

- Development pays for the costs of completing long range planning studies.
- General Fund support of long range planning activities would be reduced.

Disadvantages:

- Land use fees increase.
- Development-related fees could be higher in Tigard than in surrounding jurisdictions.
- Development-related fees supporting Long Range Planning activities are not common.

Recommendation:

Council Priority/Discussion:

Revenue Options

Other User Fees

Issue Summary

Definition: The City of Tigard charges a variety of fees for specific services. Council has directed that whenever possible, users should pay directly for those specific services they use so that the general tax payer does not have to pay for services he or she does not use. The City has centralized all user fees into the Master Fee resolution. City Code requires that all fees be reviewed annually. The Master Fee resolution is updated in June of each year.

Revenue Required/Revenue Potential: At this time, the revenue potential is unknown. Over the past two to three years, the City has been aggressively reviewing and updating all fees and charges to ensure that they are current. Fees may need to be adjusted to keep them current, but it is unlikely that any large increases will be necessary. The revenue potential from this item is therefore likely to be small.

Work Completed to date: The Master Fee resolution was last reviewed in June of 2004. The resolution was updated at that time. There have been a couple of small adjustments since then.

Implementation Action Required: Adoption of a new resolution by Council.

Timing: June 2005

Advantages:

- The City maintains cost recovery ratios.
- Only those who use the services covered by individual fees incur the cost.
- Small, annual increases are easier for citizens to incorporate into their personal financial planning rather than larger increases occurring at multi-year intervals.

Disadvantages:

- Citizens may feel that they are being "nickled-and-dimed."
- Annual fee adjustments may contribute to the perception that government is always asking for more money.

Recommendation: Keep City fees current through annual reviews and small adjustments as justified by costs.

Council Priority/Discussion:

Revenue Options

Parks SDC

Issue Summary

Definition: Systems Development Charges (SDCs) are the fees that developers pay to cities and counties to offset the impacts of their project on the community. By definition, SDC revenues can only be spent on capacity increasing capital improvements. SDCs cannot be used to mitigate existing deficiencies capital systems.

Tigard has been collecting Parks SDCs for many years, and this revenue is the primary funding source for the Parks capital improvement program. The City of Tigard Parks SDC methodology and fee schedule was updated in 2004 to reflect changes in state law and to increase cost recovery. The anticipated effective date of this update is January 1, 2005.

Revenue Required/Revenue Potential: Under the old methodology (prior to Jan 1, 2005) the City anticipated collecting \$2.3 million in Parks SDCs over the next five years. Under the new methodology the City anticipates collecting \$7.9 million over the same time period. The new methodology also specifies projects upon which SDC revenues can be spent, and to what extent SDC revenues can be used.

Work Completed to date: City has completed the legally mandated process and on December 14, 2004 the Council will consider adopting a new methodology and rate schedule effective January 1, 2005.

Implementation Action Required: Council adoption following public notice and hearing.

Timing: December 14, 2004, effective January 1, 2005

Advantages:

- Increase of \$5.6 million in revenues over the next five years.
- A logical and defensible methodology.
- New development will pay an appropriate share to maintain the existing parks to population ratio.

Disadvantages:

- The increase does not address the funding of non-SDC eligible projects. Currently, the City has only limited funds to support non-SDC eligible projects.

Recommendation: Council should approve the new Parks SDC study and fee schedule.

Council Priority/Discussion:

Revenue Options

Rights-of-Way (ROW) Fee Review Issue Summary

Definition: A Rights-of-Way Management Study finalized in May 2003 concluded that the City was not recouping all of its direct and indirect costs associated with the management of the use of the rights-of-way. In addition, not all users of the rights-of-way obtain permits, and franchise utilities with blanket permits are not required to pay permit fees. The refusal of certain franchise utilities to renew their franchise agreements requires that an adequate fee structure be in place to ensure that all direct and indirect costs are recouped. Furthermore, studies have shown that the damage done to streets as a result of utility cuts are much more extensive than previously thought and should be factored into the permit and fee process.

The City needs to focus attention on management of rights-of-way and review of fees charged to ensure that direct and indirect costs are recouped to the maximum extent feasible. This review also needs to consider whether permits and fees from in-house utilities such as water, wastewater, and storm water should also be required.

Revenue Required/Revenue Potential: The fee review has the potential to significantly increase revenue, especially if franchise and in-house utilities pay fees as part of the permit process.

Work Completed to date: As a result of the Rights-of-Way Management Study recommendations, Council created a ROW Administrator position to review the fee structure among other duties. The recruitment to fill this position is underway and should be completed by January 2005. It is anticipated that the person selected to fill this position would review the current procedures, make recommendations for changes, and oversee implementation of approved changes. Much of the work is anticipated to occur during calendar year 2005.

Implementation Action Required: Some of the changes may require Council action through resolution or ordinance. The Telecommunications ordinance is currently being reviewed to broaden its application to include all utilities. Some of the changes resulting from this review may be incorporated through amendments to that ordinance.

Timing: The ROW fee review will be performed during calendar year 2005. Changes to the fee structure to recoup direct and indirect costs could be implemented as soon as possible during this review process.

Advantages:

- Revising the fee structure to recoup direct and indirect costs would ensure that the City's costs are recovered and that the long-term damage to streets is addressed as part of that review.
- The fee review is timely in that those franchise utilities that do not renew their agreements can be managed just like any other applicant for permits and be charged what is required to compensate the City for its direct and indirect costs.
- New revenue from in-house utility fees charged to dedicated funds can better balance the City's fiscal situation.
- Charging fees to all utilities, whether in-house or not, is more equitable than the current practice.

Disadvantages:

- The City's Water, Sanitary Sewer, and Storm Sewer funds would have to expend more for fees that are not currently charged.
- Rates for City utilities may have to be increased to help pay for the additional permit costs, which could raise concerns among Tigard citizens.

Recommendation: The ROW fees should be reviewed with the intent of recouping direct and indirect costs to the maximum extent feasible, and the in-house utilities' rights-of-way activities should be subject to the permit process with full fees charged as part of that process.

Council Priority/Discussion:

Revenue Options

Street Maintenance Fee Review

Issue Summary

Definition: The Street Maintenance Fee was established by Ordinance No.03-10 as a new source of revenue to meet street maintenance requirements. The rates, set by Resolution No 04-12, were established based on a 5-year corrective and preventative maintenance plan for addressing the City's \$4 million street maintenance backlog and ensuring timely maintenance of the street infrastructure.

Ordinance No. 03-10 requires the Finance Director to review the revenue after the first full year following implementation to determine if the revenue is meeting the projected amount. In addition, the ordinance requires the program to be reviewed after three years and the rates re-established based on the average annual cost of an updated five year maintenance plan. Adjustments to the fee would be made at that time taking into consideration overruns, underruns, and any additional funds for street maintenance received from the State through legislation.

Revenue Required/Revenue Potential: The rates were set to generate approximately \$800,000 annually.

Work Completed to date: The fee collections began April 2004. A review of the revenue collected will be performed after April 2005. There is an opportunity at that time to establish a new rate based on an updated five year maintenance plan.

Implementation Action Required: The Finance Director will report his findings to City Council. No other action is required at that time, unless adjustment of the rates is deemed necessary. Any adjustment to the rates would have to be performed by Council resolution.

Timing: The Finance Director will review the revenue received after April 2005 and report the findings to City Council. Any adjustment to the rates, if determined by Council to be desirable or necessary, would be after that report. A three-year review will occur in 2007.

Advantages:

- Provides an opportunity to possibly lower the rates if the revenues are on target and the receipts from the State through legislation are factored in.
- Would be a positive sign to the residents of Tigard that the City is keeping the fees charged as low as possible.

Disadvantages:

- The streets were last rated in 1999 and should be re-rated before the five-year maintenance plan is updated. There would be no opportunity to update the street information if the rates are to be revised by mid-2005.

Recommendation: That the rates be adjusted only if the revenues are not reaching the projected amounts. Adjustment of the rates after the three-year period stated in the ordinance would allow for the pavement management information to be updated and the costs for the projects averaged out over a longer period before rate adjustments are contemplated.

Council Priority/Discussion:

Revenue Options

Telecommunications Regulation

Issue Summary

Definition: The City of Tigard, like most cities in the US, regulates access of telecommunications companies and other private utilities to public rights of way through franchise agreements and City Code provisions. The telecommunications industry has changed dramatically over the past 15 to 20 years, with the break-up of Ma Bell, the deregulation of the Baby Bells, the advent of cellular technology, and the advent of new technology such as Voice-Over-Internet- Providers (VoIP). Some of the new providers are subject to right of way regulation and some are not. The telecommunications industry in general, and traditional telecommunications providers (Qwest and Verizon) in particular, have been resisting (and in some cases, actively challenging) local authority to regulate access to public rights of way. In June 2001, Qwest brought suit against the City of Portland. This suit is working its way through the federal court system. If Qwest is successful in its suit, Tigard could lose future franchise fees paid by telecommunications companies, and may also be required to pay back franchise fees collected for a specified period of time.

Revenue Required/Revenue Potential: Tigard collects about \$325,000 per year in telecommunications franchise fees. Since July 1, 2001 through June 30, 2005, the City will collect about \$1.37 million.

Work Completed to date: City staff have been actively monitoring Qwest vs Portland. In addition, the City of Tigard is on the steering committee of a joint audit of Qwest and Verizon franchise fees conducted by 70 Oregon cities. Finally, staff is reviewing the City's Telecommunications Code for possible changes to broaden its application to all franchised utilities and to ensure compliance with current interpretations of the federal Telecommunications Act of 1996.

Implementation Action Required: It is not yet clear what actions the City of Tigard may need to take. It will need to maintain close coordination with the League of Oregon Cities, other Oregon cities, state legislators, and the Oregon congressional delegation as these issues are brought up in various forums.

Timing: This issue has been developing since 2001 and is continuing. It is likely that it will take several years for this issue to reach conclusion.

Recommendation: The City should continue to actively monitor this issue as it develops. In addition, the City Council should make its concerns known to state legislators and the Oregon Congressional delegation.

Council Priority/Discussion:

Revenue Options

Transportation Financing Issue Summary

Definition: One of the Council Goals for calendar year 2004 is to aggressively pursue solutions to congestion on state, county and City facilities that lie within the City limits. Many of the projects needed to improve circulation within the City are under state or county jurisdiction. The Council goal is to pursue implementation of these projects regardless of jurisdiction. A list of high priority projects was presented to Council at its meeting on March 16, 2004. Many of the projects involve intersections on Highway 99W. In addition, there was a long list of projects considered for the Transportation Bond measure in the year 2000. Although the bond measure failed, the transportation improvement needs remain. Additional sources of funding must be developed to address some of the more urgent transportation projects to alleviate congestion, provide better intra-city traffic circulation, provide facilities for alternative modes of transportation, and accommodate the current and future traffic volumes.

Revenue Required/Revenue Potential: To be determined. The Transportation Financing Strategies Task Force was reconstituted to evaluate new potential funding sources that could be established to address high-priority transportation projects. In early 2005, the Task Force will meet with Council to discuss potential projects and receive direction on the high-priority projects that need new funding sources for implementation. The intent is to focus the efforts of the Task Force on the areas that Council deem as highly important and better match the proposed funding with the appropriate projects.

Work Completed to date: The Task Force has met three times and will continue meeting regularly to discuss potential funding sources. The Task Force will meet with City Council in early 2005 after Council goal setting has been completed. The intent is for Council to provide direction on the high-priority projects that need to be matched with funding sources for implementation.

Implementation Action Required: The Task Force will report to City Council periodically on the progress of the Task Force effort. Any proposed new funding sources will be discussed with City Council at a workshop session. New funding sources classified as fees or non-property tax may require an ordinance and resolution. A bond measure to accelerate implementation of numerous projects would require a public process for development of a list and a vote of approval by the Tigard citizens.

Timing: The Task Force will evaluate new funding sources with the intention of making an initial recommendation to Council by mid-2005 at the earliest. A bond measure, if proposed, would most likely be scheduled for the general election in 2006 at the earliest.

Advantages:

- New funding sources would address high-priority projects that need to be constructed to meet current and future traffic volumes.
- Sidewalk improvements and rights-of-way maintenance can be programmed annually once funding sources are identified. The sidewalk projects can enhance safe access to schools and transit stops from the residential neighborhoods. Rights-of-way maintenance on collectors and arterials can spruce up the City's image and minimize the fire hazards by keeping brush cut during the summer months.

Disadvantages:

- The voters have indicated that they have limitations on what they can afford, regardless of the existing needs. Any bond measure would face stiff competition in just about any scheduled election.
- Adding a new fee or tax in these or any other economic times is not going to be popular and may be referred to the voters for approval.

Recommendation: That the Task Force receive direction from Council, continue to evaluate potential new funding sources for recommendation to Council, and make periodic reports to Council on Task Force progress.

Council Priority/Discussion:

Revenue Options

Urban Renewal Issue Summary

Definition: Creation of one or more urban renewal districts to generate dedicated revenues to pay for needed improvements in the Washington Square Regional Center, Downtown Tigard, and/or Commuter Rail Line. The Tigard Charter currently prohibits any renewal districts without an approving vote of the people.

Revenue Required/Revenue Potential: To be determined. The Washington Square Regional Center Plan identifies substantial improvements needed in that area, with costs to match. These costs can only be partially covered by existing revenues and fund sources. The Downtown Plan is still in the development stage so public improvements needed to support the plan are unknown at this time.

Work Completed to date: Council has received three informational briefings on the mechanics of urban renewal and urban renewal financing.

Council has approved the Washington Square Regional Center Plan and the Washington Square Regional Center implementation study, which identify needed improvements and potential costs.

Washington County is actively pursuing funding for the Commuter Rail Line and is exploring urban renewal as a means of providing funding for a portion of the improvements identified in the Regional Center Plan, particularly in the area of commuter rail stations, of which Tigard will have two.

The Downtown Task Force has been meeting with interested parties and stakeholders to develop a vision for the downtown. A concept plan is under development and will be considered by Council in June 2005. Once the plan is adopted implementation will take another 12 to 24 months to complete. Urban renewal is a potential funding tool to implement the Plan.

Implementation Action Required: City Charter prohibits the formation of any urban renewal district without an affirmative citywide vote. Council could refer one of two measures to the people:

3. An amendment of City Charter to remove the requirement for a citywide vote, or
4. Approval of one or more urban renewal districts.

Timing: To be determined

Advantages:

- Creation of a dedicated funding source that grows with growth in assessed values in the urban renewal district and that can be used to pay for needed improvements.
- Public improvements paid for by urban renewal will spur private investment that will further increase values in the district, and will accommodate job and housing growth
- Once the urban renewal plan is accomplished and all costs are paid for, the assessed value is returned to the general tax roles and help pay for citywide service.

Disadvantages:

- Urban renewal “locks up” growth in assessed values during the life of the urban renewal plan, thereby limiting growth in tax revenues for all overlapping taxing jurisdictions.
- Urban renewal mechanics are complicated and difficult to explain to the public in an election setting.
- Creation of an urban renewal district requires the active support of major property owners within the proposed district.

Recommendation:

- Continue to explore urban renewal as an option for Tigard
- Work with property owners in the Washington Square Regional Center and the Downtown Task Force, and with Washington County to assess the level of interest and support for urban renewal.
- Develop a proposed timeline for resolution of this question.

Council Priority/Discussion:

Revenue Options

Water Utility Rates

Issue Summary

Definition: The Water Fund is an enterprise fund, which by definition used in accounting principles and guidelines, operates as a business enterprise. In the case of the City's Water Fund, the primary source of revenue is water sales. The City operates the fund on the financial principle that the costs associated with the delivery of water shall be borne by the user. Thus, water rates become the mechanism through which the revenue to operate the water system is derived. Tigard uses a rate-making financial model to evaluate future costs, both operational and capital, and design water rates to accommodate these costs. The City Council last reviewed rates in 2000, when a 3-year rate plan was approved. It is anticipated a new rate plan will need to be approved in 2005.

Revenue Required/Revenue Potential: Revenues generated by water sales are anticipated to be \$6 million dollars in FY 04-05. This number can be impacted by weather; cool wet summers reduce water sales thus affecting rates.

Work Completed to date: The water rate model is updated annually as the budget is approved.

Implementation Action Required: Water rates are set by resolution of the City Council. It is anticipated that the IWB will forward a recommendation to the City Council and that the City Council could approve any water rate changes as a part of the master rates and charges resolution adopted annually in June. Water rates are generally effective October 1 through September 30th.

Timing: Staff will be preparing a water rate recommendation to be presented to the Intergovernmental Water Board (IWB) in the Spring of 2005.

Advantages:

- Maintains relationship between rates paid by the customer and actual costs;
- Avoids large rate increases by dealing with changes in smaller increments;
- Facilitates good credit rating for the City when debt instruments are sold;
- Keeps water issues in the ratepayers minds.

Disadvantages:

- Rate increases are rarely popular and increase costs to citizens.

Recommendation: Accept the recommendation from the IWB when presented and consider adoption of any new rate schedule as a part of the annual rates and charges review in June of 2005.

Council Priority/Discussion:

Revenue Options

WCCLS Local Option Levy Issue Summary

Definition: WCCLS Levy: A Countywide Local Option Property Tax Levy for library services is allowed under the Oregon Constitution (Measure 50) to increase the local property tax rate for needed services. It cannot exceed a period longer than 5 years, after which, it must be re-approved by voters.

Revenue Required/Revenue Potential: It is projected that the tax rate of this levy will be approximately .26/\$1,000 of assessed valuation. This would raise approximately \$9,500,000 per year. Tigard's share of this amount will be determined according to the WCCLS funding formula.

Work Completed to date: A countywide levy for library operational funding was placed before voters in November of 2002 and again in May 2004. The measure failed in 2002 by approximately 600 votes and failed in 2004 for lack of a double majority. A needs analysis for the levy was completed in 2002, as was a phone survey. A citizens group was formed in 2002 and again in 2004 to provide information to the voters of Washington County concerning the benefits of the levy. Significant background information has been compiled concerning this issue.

Implementation Action Required: A WCCLS Local Option Property Tax Levy must be approved by the County Board of Commissioners and placed on the ballot for approval by Washington County voters. It may only be voted on at one of the following elections:

1. May of any year, subject to double-majority requirement
2. November of an odd-numbered year, subject to double-majority requirement
3. November of an even numbered year (general election), subject to simple majority.

Timing: If the WCCLS Local Option Levy is approved by county voters in May 2006, the first revenues would be received by the County in November 2006. If the Levy is approved by the voters in November 2006, the first revenues would be received by the County in November 2007.

Advantages:

- Easily understandable
- Will restore cuts to library service countywide.
- Well-established collection mechanism in place
- Broad-based revenue source

Disadvantages:

- Short term solution-it expires after 5 years, and then must be renewed by the voters
- Competition on the ballot from other jurisdictions requesting voters to approve funding measures
- Competition and confusion with a Tigard local option levy if it is on the same ballot
- Most property tax measures on the ballot in November 2004 were not approved by voters – including the county public safety levy

Recommendation: Continue to research and explore options with the goal of supporting this issue when it is placed before voters in May or November 2006.

Council Priority/Discussion:

Revenue Options

MSTIP Funding Issue Summary

Definition: Measure 50 rolled Washington County's serial levy for the Major Streets Transportation Improvement Program (MSTIP) into the County's permanent property tax rate. The County Board of Commissioners is considering adoption of a six-year program (2007 through 2012) of transportation projects using the MSTIP portion of the County's permanent property tax rate. The projects to be selected to be part of this MSTIP Transportation Capital Program must improve collectors and arterials identified in the County's transportation plan. Geographic equity would be a consideration in the project selection. Through this program, the City has the opportunity to submit priority City projects that qualify for implementation using MSTIP dollars.

Revenue Required/Revenue Potential: The County estimates approximately \$23 million net annual revenue resulting in approximately \$140 million over the six-year period. The target allocation for the City out of this six-year total is \$5,287,000. However, because the inflation factor is estimated as twice the amount of interest earned, the actual amount available in the out years of the program is anticipated to be significantly less than in the first year of implementation. The issues are still being worked out, but the funding that could be available for projects that benefit the City would range between \$3 and \$5 million depending upon the schedule for implementation.

Work Completed to date: Through Resolution No. 04-82, City Council approved three projects to be submitted for consideration as part of the County's Transportation Capital Program. Because the timing for implementation of the projects is highly uncertain at this point, only one or two of the projects may actually receive sufficient funding for implementation. In addition, the County staff has indicated that they want to handle projects from beginning to end. Tigard and other cities want to initiate design and rights-of-way acquisition but need construction dollars for implementation. This issue needs to be resolved.

Discussions will continue during the next month or two on resolving these issues.

Implementation Action Required: The Washington County Coordinating Committee consisting of city and County elected officials would recommend a list of projects for adoption by the County Board of Commissioners. The project list and the sequence of implementation adopted by the Board would commit the available dollars for that six-year program.

Timing: The County's Transportation Advisory Committee will be meeting during the next two months to resolve the various issues and submit a recommendation to the

County Coordinating Committee. The Coordinating Committee will likewise be discussing the program with the intention of submitting a recommendation to the County Board early in 2005. The program dollars will be for the six-year period beginning in 2007 and ending in 2012.

Advantages:

- Provides an opportunity for the City to have one or more high-priority projects constructed using MSTIP dollars.
- Commitment of the MSTIP portion of the County's permanent property tax rate to a long-term program would set the stage for a large future MSTIP 4 program to address some of the major transportation needs within the cities and unincorporated Washington County.

Disadvantages:

- If the projects are limited to those that are not yet programmed for implementation, some of the significant projects of current interest would not be eligible for consideration.
- The six-year period begins in 2007. Some projects may not be scheduled until late in that period. Some of the projects in Tigard cannot wait that long for implementation.
- The City would not have control over the project details once the County adopts the project for implementation. Although City input would be considered, the County would have the final say on the project-related decisions.

Recommendation: There is no real downside to this situation. The MSTIP portion of the County's permanent property tax rate provides an opportunity for the City to have one or more significant projects funded and implemented through the County's Transportation Capital Program. Staff recommends that the City participate actively in this process, in cooperation with the staff from other cities and the County, to reach a consensus on the project list and on the scheduling for implementation.

Council Priority/Discussion:

Revenue Options

Franchise Fees – Water and Sewer Issue Summary

Definition: The City charges private utility companies a fee for use of public rights-of-way to string their wires, or lay pipes and conduit. The fee is calculated as a percentage of the utility's gross revenues collected within the City of Tigard. The City currently charges the electric utility 3.5%, the natural gas utility 5%, and telecommunications companies 5%. The City does not charge its water and sewer utilities any fee, though many cities do.

Franchise fees for private utilities cannot be raised outside of the franchise agreement. The franchises with PGE and Qwest do not provide for any mechanism to increase the franchise fee during the life of the agreements. Verizon does not have a current franchise agreement and has declined to negotiate a new agreement pending decision of the Qwest vs. Portland case challenging local franchise authority. If the City wished to pursue increased fees for private utilities with a current agreement, it would need to adopt a privilege tax, which is discussed in another paper. The City could institute franchise fees on its own public utilities at any time.

Revenue Required/Revenue Potential: Charging the City's in-house utility operations a franchise fee would raise the following amounts for the General Fund:

Water	\$307,000
Sanitary Sewer	\$77,800
Storm Sewer	\$56,200
Total	\$441,000

The additional charges to the water utility could be recovered through a water rate increase. Rates for sanitary sewer and storm sewer are set by CWS and revenues are shared back to the City. Rates would not be increased to recover this cost, and so a franchise fee would reduce revenues to fund sanitary and storm sewer operations.

Work Completed to date: Staff have surveyed other cities to see how many charge franchise fees to their own utilities. No other work has been done on water or sewer franchise fees.

Implementation Action Required: Council resolution or ordinance.

Timing: To be determined. If the decision is made to charge water operations a franchise fee, this should be coordinated with the annual water rate review currently underway.

Advantages:

- Builds off an existing collection that is in place and well established
- Broad based – it affects a wide variety of payers (though utility bills)
- Relatively stable revenue source

Disadvantages:

- Increased fees will be passed on to water utility customers in the form of a rate increase, thereby increasing their bills

Recommendation:

- Explore options for charging a franchise fee of no more than 5% on public utilities (water, sanitary sewer, and storm sewer.) If options are feasible, consider instituting water and sewer franchise fees.

Council Priority/Discussion:

Revenue Options

Privilege Tax

Issue Summary

Definition: Oregon Revised Statutes allow cities to adopt and levy a "Privilege Tax" on utilities. This is a tax on the gross revenues of electric or natural gas utilities or on local exchange access revenues of "incumbent local exchange carriers, ILECs" (in Tigard's case, this means Qwest and Verizon) for the "privilege" of using public rights of way for the delivery of their services.

A privilege tax and a franchise fee are very similar. The only real difference is that a franchise fee is dependent upon the existence of a formal agreement (a franchise) between the utility and the City. Privilege tax rates are also limited by state statute; franchise fee rates are not (though some utilities would argue otherwise.)

A privilege tax could be structured in a variety of ways. The method that has been considered by staff establishes the privilege tax and then makes provision for a credit for the amount of franchise fee paid (if any). This establishes the back-up authority of the privilege tax, but only collects an incremental amount over and above the existing franchise fee. If the franchise is not renewed for any reason, then the full amount of the privilege tax would be collected. Tigard has two telecommunications companies with expired franchises: Verizon and Electric Lightwave. Both companies have declined to negotiate new franchises, but are continuing to make franchise fee payments as if their expired franchises were still in effect.

Privilege taxes are calculated based on the total gross revenues of electric and natural gas utilities and competitive local exchange carriers telecommunications companies generated within a local jurisdiction and are limited by State law to no more than 5%. State law limits privilege taxes on ILEC telecommunications companies to no more than 7% of local exchange access revenues only. (revenues from the majority of services – such as call waiting, call forwarding, long distance, internet access, etc. – are excluded from the revenue base. Cable television is franchised

Franchise rates for franchised utilities are:

Electric & Natural Gas		Telecommunications	
PGE	3.5% of gross revenues	Qwest	5.0% of local exchange access
Northwest Natural	5.0% of gross revenues	Verizon	5.0% of local exchange access
		Cypress Communications	5.0% of gross revenues
		Electric Lightwave	5.0% of gross revenues
		IDT Corp.	5.0% of gross revenues
		MCI WorldCom	5.0% of gross revenues
		Metro Media Fiber Network	5.0% of gross revenues
		New Access Communications	5.0% of gross revenues
		OnFiber Communications	5.0% of gross revenues
		Time-Warner Telecom	5.0% of gross revenues
		XO Communications	5.0% of gross revenues

Revenue Required/Revenue Potential: If a privilege tax is adopted at the levels authorized in State law and it is structured to be net of franchise fees paid, it would generate the following revenue amounts:

PGE	\$550,000
Northwest Natural	\$0
Qwest	\$5,400
Verizon	\$92,500
CLECs	\$0
Total	\$647,900

Work Completed to date: An issue paper was presented to the Tigard Budget Committee in May 2004. The Budget Committee's response was mixed. There was little enthusiasm for this tax, but there was also a willingness to keep it on the table for discussion.

Implementation Action Required: A privilege tax could be adopted by ordinance.

Timing: There is no specific timeline for this issue. It could be considered at any time that the Council feels appropriate.

From a process standpoint, if Council indicated a willingness to move ahead with this revenue source, it would be necessary to draft an ordinance. From that point, it would be advisable to circulate the ordinance to all franchisees and any other utilities affected by the proposal for review and comment. Council would need to hold at least one public hearing on the proposal. It could take several months to go through this process.

Advantages:

- The tax would produce a significant amount of revenue that would be available to the General Fund.
- The tax is broad based.
- The tax is not overly dependent upon economic activity and will help to diversify the City's revenue sources.
- The tax is not dependent upon the existence of a franchise agreement and protects the revenue stream should a franchisee not renew its agreement and continue to operate in Tigard.
- The telecommunications industry is aggressively challenging local government rights to regulate and control their rights of way nationally. Franchise fees could be severely curtailed or eliminated by legislative or congressional action.

Disadvantages:

- A privilege tax in excess of current franchise fees will be passed on to utility customers, thereby increasing their bills
- Under state law, the incremental increase would be itemized on customer bills
- Telecommunications companies are challenging local franchise authority nationally and in Oregon. Adopting a privilege tax could add to this push.

Recommendation: Proceed with development of a privilege tax proposal.

Council Priority/Discussion:

Revenue Options

Telecommunications Registration Fee Issue Summary

Definition: A telecommunications registration fee is an annual fee charged to telecommunications companies operating within a city.

The two traditional methods of obtaining revenues from telecommunications companies to support city operations and rights of way are franchise fees and privilege taxes. Franchise fees are based on a franchise agreement between the city and the company. Privilege taxes are imposed unilaterally based on the city's taxing authority. Other than their underlying authority, franchise fees and privilege taxes are calculated and operate in much the same way.

Under state law, franchise fees and privilege taxes for "incumbent local exchange carriers" (ILECs – basically Qwest and Verizon) can only be levied on local exchange access (basically, dial tone charges). By state law, all other revenues (including revenues from charges such as call waiting, call forwarding, long distance, etc.) are excluded from the revenue base used to calculate franchise fee and privilege taxes. (By contrast, franchise fees and privilege taxes for electric and natural gas utilities are based on total revenues.)

The traditional method of assessing fees/levying taxes on telecommunication carriers has several problems:

1. The limited revenue base (local exchange access vs. total revenues) as compared to other utilities using the public rights of way.
2. The growth of competitors to ILECs has heightened concerns about the different methodology on calculating franchise fees (local exchange access vs. total revenues.)
3. The growth of cellular service, which is not franchised by the City, is taking customers away from traditional telephone service.
4. The entry of non-traditional telecommunications providers into local markets has created a situation in which it is difficult to keep track of which providers are operating within a city.

The City of Eugene addressed these problems by adopting a 2% telecommunications registration fee on non-franchised services. This registration fee was challenged in court, but ultimately upheld. Other cities in Oregon are now looking at adopting telecommunications registration fees.

In addition, the City of Portland has recently explored the possibility of imposing a tax on cellular phone companies. Reaction to this proposal has been mixed, but negative over all. The cellular telecommunications companies are strongly opposed.

Revenue Required/Revenue Potential: Unknown. Because telecommunications franchise fees are based on only a small portion of traditional telecommunications providers' total revenues, it is difficult to determine the total revenue potential for Tigard.

Work Completed to date: None

Implementation Action Required: This would require an amendment to the Tigard Municipal Code to establish the fee, and then an amendment to the Master Fee Resolution.

Timing: It would take 4 or 5 months to develop this proposal and to take it through the public review process. Cities anticipate that telecommunications companies will be actively lobbying the legislature to pre-empt local telecommunications registration fees.

Advantages:

- This fee could produce a significant amount of revenue for the City.
- This fee would tend to level the playing field between telecommunications providers in terms of the fees paid to the City.
- This fee would equalize the treatment of all utilities with facilities in the public rights of way.
- Registration and payment of a fee would provide the City with valuable information about telecommunications providers operating within the City.
- Adoption of a registration fee would help to protect the City should telecommunications companies successively lobby the legislature to further limit or eliminate local franchise fees or privilege taxes.

Disadvantages:

- This proposal would generate strong opposition from telecommunications providers.
- This proposal may increase chances that the legislature would act to pre-empt authority for local telecommunications registration fees.
- Telecommunications providers may pass this charge on to customers as a separate line item on the customers' bills and thereby increase costs to local customers.

Recommendation: Several other cities are actively considering a telecommunications registration fee, and the legislature will convene in January. The City should monitor statewide activity on this issue to see if other cities are successful. The City should make a determination sometime in the summer of 2005 whether or not to proceed with this proposal.

Council Priority/Discussion:

Revenue Options

Water Revenue Bond Issue Summary

Definition: A water revenue bond is a type of bond backed by future water revenues (as compared to a general obligation bond which pledges property taxes as repayment). Tigard is considering this type of bond to finance capital improvements and possibly the up-front or "buy in" costs the City would incur to secure a long term water supply. Tigard's Water operation is currently debt free.

The City will be considering the use of water revenue bonds to finance all or a portion of the upcoming water reservoir/pump station/transmission piping project package, named the 550 ft. Service Zone Water Supply System Improvements.

The City is also considering obtaining an equity position in a water source. While the source and cost have yet to be determined, financing this project is anticipated to be by revenue bonds. This is consistent with the concept that users should pay their proportional share of projects. Use of a bond that is collected based on property value can produce situations of inequity between property owners, and should be avoided for this reason.

In summary, Tigard could be looking to issue revenue bonds within the next two years. Future decisions on a water source could necessitate multiple revenue bond sales. Both of these projects are consistent with, and addressed specifically, in the City's visioning documents.

Revenue Required/Revenue Potential: The 550 ft. Service Zone projects are currently estimated to cost \$8.84 million dollars. The buy-in cost of a new source of water is unknown and will depend upon the source selected and negotiations with the holders of those water rights.

Work Completed to date: The City has currently done two things in anticipation of these expenses: the Council has kept water rates current for the last three fiscal years, and the City has retained a consultant to develop a water financial planning and rate model to better evaluate options and scenarios. This rate model will also be important in the issuance of water revenue bonds.

Implementation Action Required: The Intergovernmental Water Board will initially produce a recommendation to the City Council. Following that, the City Council may authorize the issuance of revenue bonds by resolution.

Timing: Bond could be issued as early as 2005.

Advantages:

- Revenue bonds are excellent funding mechanisms for utility capital improvements for three reasons:
 - They do not compete with other public funding based on general revenues and they do not require voter approval,
 - They extend the concept of "cost of service" principles in which a user of a utility pays a proportional share of the cost to provide that specific service, and
 - They spread the cost of an improvement to future users of that improvement (intergenerational equity).
- Revenue bond repayment periods are generally also shorter than the useful life of the project they fund.
- Current costs of borrowing money are very favorable.

Disadvantages:

- Not using bonding of some type puts City utilities into the business model of pay cash as you go which is not viable where such large amounts of capital are needed.
- Revenue bonds carry a higher interest rate than general obligation bonds, because their repayment is based on the financial stability of the system and not on an unlimited power to tax.

Recommendation: Staff will continue to update Council on options and costs, with a future recommendation probably being to authorize issuance of one or more water revenue bond issuances.

Council Priority/Discussion:

Revenue Options

Passport Application Acceptance Issue Summary

Definition: The City of Tigard can become a passport application acceptance agency. Some surrounding cities, such as the City of Beaverton, provide this as a customer service to citizens. Finance staff would accept the application at the City Hall front counter and forward the application to the U.S. Department of State for actual issuance. The City of Beaverton reports that it receives over 5,000 applications per year. The City of Beaverton also has established limited hours of operation (12:30 p.m. until 4:00 p.m.) in order to more effectively manage the program and still provide good customer service. Limited hours are also being considered for implementation in Tigard's case as well.

Revenue Required/Revenue Potential: The application fee is \$30 and is levied in addition to the \$55 passport fee. The passport agency retains the application fee as reimbursement for providing the service. As envisioned, no additional staffing needs are anticipated unless the number of applications received and processed would generate more than enough revenue to warrant some part-time assistance. The City of Beaverton has estimated passport revenues to their City will be over \$160,000 in FY 2004-05.

Work Completed to date: Preliminary review of the passport acceptance program has been completed and initial plans, if the program is approved, call for implementation by July, 2005.

Implementation Action Required: Update of the fee schedule to include the fee for accepting passport applications and staff training.

Timing: Implement by July, 2005 or sooner.

Advantages:

- A passport application acceptance agency in Tigard will be a benefit to citizens.
- Tigard residents as well as other individuals visiting City Hall will have this as an additional customer service provided by the City.
- This function would produce additional revenue at minimal cost.

Disadvantages:

- None

Recommendation: Continue to investigate the possibility of the City of Tigard becoming a passport application agency once the Finance Department has moved into the remodeled City Hall. Target July, 2005 or sooner for implementation.

Council Priority/Discussion: